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# Latin America Report

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2 December 1982

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No. 2614

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## ENERGY CONSERVATION MAKING HEADWAY, POWER COMPANY FIGURES SHOW

Bridgetown THE NATION in English 25 Oct 82 p 1

[Text]

**BARBADIANS** are conserving energy. They are heeding appeals from Government and the Barbados Light and Power Company.

Energy consumption for September 1981 to August 1982 showed a decline of close to 300 000 kilowatt hours.

And said a power company official yesterday: "This is very heartening."

Electricity subscribers in a period rose by just under 2 000.

According to figures obtained from the Barbados Light and Power Company (BL & P), up to the end of August this year there were 70 558 consumers compared with 68 744 in August 1981.

On the other hand, while the total consumption of electricity in Barbados for the same period was over 26 million kilowatt hours (26 636 253), it declined by 275 647 to 26 360 606 kilowatt hours.

The Light and Power Company added: "This reduction in energy consumption during times of economic difficulty worldwide is due in great measure to the increasing consciousness of the need for conservation among Barbadians."

He said: "People are becoming more energy-saving conscious and they are beginning to understand that they should turn off air-conditioners and lights when not needed."

It was noted that all the various categories of energy users recorded decreases in consumption with the exception of residential consumers, which showed an increase of 658 951 kilowatt hours.

Heavy power users (large industry) decreased from 11 092 145 kilowatt hours to 10 154 505, a decrease of 937 640 kilowatt hours.

Secondary voltage power users dropped their demand from 6 081 277 kilowatt hours to 6 111 663 kilowatt hours, commercial users from 1 775 477 to 1 756 271 kilowatt hours and BL & P employees from 94 021 kilowatt hours to 85 883.

All categories of electricity users with the exception of one recorded increases in the number of consumers.

Large power users rose from 136 to 144, secondary voltage users from 1 341 to 1 536, commercial from 5 063 to 5 237, and domestic from 61 746 to 63 193. This meant that 1 446 more households now have electricity when compared with August last year.

The number of employees with electricity decreased from 458 to 440.

The BL & P spokesman pointed out that there were very few small "pockets" in the island without electricity and they consisted of no more than six or seven houses. He stated that no large village in Barbados was without electricity lines now. Ninety percent of the houses in Barbados now have this utility.

The spokesman noted that the company's plans to increase all high voltage distribution lines from 24 000 volts to 69 000 volts and from 11 000 volts to 24 000 volts had not been realised to coincide with the opening of the new low-speed generating plant now in operation at Spring Garden.

He noted that this would have to be done soon and lines carrying electricity north would have to be boosted up to provide power for the Arawak Cement Plant in St. Lucy.

He also said that the company was considering installing alternative lines to all sub-stations so that in the event of a power failure they would still be supplied.

## BRIEFS

OIL WELLS DISCOVERED--Petrobras has announced that it has identified oil wells in a 57 km wide area in a basin of Rio Grande do Norte. This basin can immediately start producing 20,000 barrels of oil daily. The wells cover an area from Estreito to Guamare. Petrobras has already drilled 300 wells and plans to drill a total of 1,000. The oil is located from 300 to 500 meters deep, therefore the wells can be drilled in a single day. [Rio de Janeiro O GLOBO in Portuguese 10 Nov 82 p 1]

FUTILE OIL PROSPECTING--The oil and gas prospecting carried out by Paulipetro, a consortium made up by enterprises of the Sao Paulo Government, has yielded no results after an expense of \$300 million. Governor Jose Maria Marin has been advised to dismantle Paulipetro because the oil prospecting in an area, already discarded by Shell and Esso, was a high risk and did not compensate the expense. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Nov 82 p 1]

CSO: 3342/28

## JUNTA MEMBERS VISIT MOMOTOMBO GEOTHERMAL PROJECT

Managua BARRICADA in Spanish 26 Sep 82 p 10

[Text] Yesterday, Emilio Rappaccioli, minister-director of the Nicaraguan Energy Institute (INE), technicians and workers presented the government junta with the construction project of the first electrical energy producing unit to use geothermal energy from the Momotombo volcano.

This initial unit will have a production capacity of 35 megawatts and will probably begin to operate in May 1983. Its startup will result in a daily saving of \$60,000 in foreign currency inasmuch as it will not be necessary to use oil to generate that quantity of electricity.

The presentation ceremony was attended by Commander of the Revolution Daniel Ortega Saavedra and Dr Rafael Cordova Rivas, coordinator and member of the government junta, respectively; State Ministers Moises Hassan and Emilio Baltodano; Cdr Mauricio Valenzuela and Cdr Monica Baltodano; Rodrigo Reyes, secretary of the government junta; delegates of the regional committee from the western part of the country; and others.

This line will be connected to the Los Brasiles substation near Ciudad Sandino. This project is being developed by the Ministry of Construction and private contract companies, among which is one Italian firm.

## Reinjection of the Water

The expositors told the government junta that \$30.7 million has already been invested in the project, financed by foreign organizations, with an additional \$8.2 million in national funds.

Five of the 20 wells which have energy potential will be used for this first unit.

They stated that tests have already been made with regard to the reinjection of water and that the positive results of those tests will make it possible to preserve the resource of geothermal energy production for a long time.

They said that other countries have had serious problems due to the lack of reinjection of the water, being forced to bring water from other places, and that this has increased the costs.

## Little Contamination!

Also attending the ceremony was Companero Vladimir Perez, director of IRENA [Natural Resources Institute], to whom they explained that the degree of focal contamination as far as the lake barely reaches 1.5 percent and that the western side is the warmest part of the geothermal project.

## Visits to the Wells

Mention was also made of studies underway so that, in the future, it will be possible to use the geothermal fields of Momotombo-El Hoyo, San Jacinto-Tizate, Caldera de Malpaisillo, Masaya-Nandaime-Mombacho, San Cristobal-Casitas, Punta Chiltepe, Tipitapa-Masaya, Nuevo San Francisco Libre and Monte Galan. It was pointed out the Monte Galan field ranks second in geothermal potential.

The members of the government junta, ministers and other state officials made a trip through the plant and through wells 1 and 10, where valves were opened to let out the steam.

Later, Commander Ortega had a meeting with the workers at which they complained of being ill-treated by some of the officials and technicians of the Italian firm which is doing part of the work.

The workers emphasized that they need diversions, such as volleyball games, a club where there are amusements, such as television, and they asked that conditions be improved in the dormitories and dining room, that the Ministry of Labor give them more attention, and so on.

They requested a review of wages, that weapons be given to the militiamen for proper defense of the work site, that there be better communication between the supervisors and workers and that concern be given to the possibility that some workers and technicians may leave to seek a better opportunity abroad.

Companeros Lucas Montenegro, Horacio Aguirre, Carlos Torres, Noel Rocha and Miguel Vigil spoke on behalf of the workers.

Commander Ortega replied that there are serious limitations but that Cdr Mauricio Valenzuela and the other delegates of the regional committee will seek solutions to the problems outlined.

8568

CSO: 3248/148



## SUGAR MILL TO BE HYDROELECTRIC PLANT

Managua EL NUEVO DIARIO in Spanish 25 Sep 82 pp 1, 6

[Text] The ambitious Malacatoya sugar project, which will be operating at full capacity in 1984, employing 3,000 people and producing an income of \$50 million per year, is 15 percent completed in its construction.

This information was confirmed yesterday by the three members of the government junta: Cdr Daniel Ortega Saavedra, Dr Sergio Ramirez Mercado and Dr Rafael Cordova Rivas, who accompanied Jaime Wheelock Roman, minister of agricultural and livestock development and agrarian reform [MIDINRA], on a visit to the site.

They were also accompanied by Commander of the Revolution Victor Tirado Lopez, Finance Minister Joaquin Cuadra, MIDINRA Vice Minister Manuel Eoronel Kautz and other government officials and guerrilla commanders, among whom were Leticia Herrera and Dora Maria Tellez.

The Malacatoya project, which, according to Cdr Wheelock Roman, "more than a sugar project is a hydroelectric project," will cost \$112 million and, with the Las Canoas dam and electric plant, will generate 34 megawatts of power, equivalent to what the Momotombo geothermal project will produce.

MIDINRA Vice Minister Manuel Coronel Kautz, who during the muddy trip showed that he knew every detail of the entire project, advised that the construction itself was about 20 percent completed and the agricultural aspect, consisting of the first sugarcane plantings, about 5 percent completed.

The project comprises the use of 56,000 manzanas of land [1 manzana = 1.7 acres] of which a total of 24,000 will be irrigated for the cultivation of sugarcane.

Irrigation is achieved with water from the dam on the Canoas River near Las Banderas. The boilers of the industrial complex will be operated with a Swedish system which will be used in Latin America for the first time and consists in the maximum use of high steam pressures produced by burning sugarcane husks.

The entire irrigation system, known as the Pivot System, of American design, will comprise some 200 units installed by a company named Riesgos y Obras Agropecuarias whose engineer manager, Erwin Castillo Guevara, said that these machines will be used for the first time in our country.

Each irrigation unit, of which three have been installed up to now to irrigate the first planting of sugarcane which will serve as seeds for sowing the entire complex, will cover a diameter of 1 kilometer.

Small areas not irrigated by these units will be planted with eucalyptus whose wooden chips will be used to heat the boilers when there are no sugarcane husks. This will result in an enormous saving in oil imports.

The use of sugarcane husks and eucalyptus chips will result in less consumption of electrical energy and will supply the INE [Nicaraguan Energy Institute] with about 30 megawatts of electrical energy per day.

In visiting the site of the sugar mill complex, one can see the initial construction being put up metal framework supplied by a national firm called METASA [Metals and Structures, Inc].

Commander Wheelock advised that the firm has a 3-year backlog of work with the Malacatoya project.

Although some gigantic structures have been erected, the most important parts are still lacking, such as the boiler section, which will be a higher building than the Bank of America and whose total facilities will be equal to 10 times the structure of that bank.

The project is being carried out with loans from international credit institutions and with the highly valued and brotherly cooperation of Cuba as well as with aid from the Soviet Union, Sweden, Mexico and other friendly countries. There are about 700 workers employed on the project, some of whom spoke with the members of the government junta and gave them information concerning the progress of the work.

Among the group are members of the Popular Militias employed as workers, and we could see that many workers carry a gun along with their work tools.

Yesterday, being Friday and payday, there was considerable movement among the workers with small business people arriving to sell clothing, shoes and other items.

"Within 3 years this will be an actual town," one of the workers said. He explained that it had previously been a cattle-raising and Godforsaken area in which, during times of drought, everything was lost.

"Look!" said a worker who claimed to be from Managua, "the farmers say that all the corn you see withering there was lost due to lack of irrigation." At a short distance from where we were speaking with him, sugarcane was growing, with its leaves broad and extremely green, while the irrigation system was continuing uninterruptedly winning out over a light drizzle coming from clouds which had drifted in from the east.

8568

CSO: 3248/148

## CARIBBEAN MEDIA GROUP DEPLORES AREA ATTACKS ON PRESS

Bridgetown ADVOCATE-NEWS in English 26 Oct 82 p 1

[Text]

— Top Caribbean media representatives, condemning some regional governments including Grenada for Press abuses, said yesterday they were looking to next month's Caribbean Community (Caricom) Heads of Government summit in Jamaica for firm commitments on the question of human rights and Press freedom in the area.

Speaking at an award ceremony in Barbados to honour murdered Guyanese newspaper photographer, Jesuit Priest Fr. Bernard Darke, President of the Caribbean Publishing and Broadcasting Association (CPBA), Oliver Clarke said:

"I do hope in Jamaica at the Heads of Government conference, the question of human rights and freedom of the Press throughout the region will be scrutinised very carefully and pressure will be brought...on those governments (guilty of abuses)."

British-born Fr. Darke, who worked with the Catholic Standard newspaper, was

killed by pro-government assailants in Georgetown in July 1979 while covering a demonstration by members of the Opposition Working Peoples Alliance over the arrest of WPA members.

The CPBA yesterday posthumously awarded a certificate of honour for "Outstanding Bravery and Courage" in the performance of duties.

Mr. Clarke, who is from Jamaica, also voiced concern about the continued detention in Grenada of journalists Gerry Romain and Leslie Pierre, former editor of the Voice newspaper, saying these were cases of which regional governments should take note.

Catholic Standard editor Fr. Andrew Morrison, who flew here from Guyana to accept the award, spoke with emotion of his slain colleague and accused the Forbes Burnham Government of stifling the truth.

"A camera is a dangerous weapon in Guyana...the policy of the present regime is to hide the truth and a camera is there to take the truth", the

Roman Catholic priest said.

Declaring that the charge was no exaggeration, Fr. Morrison said his paper in its latest edition had reproduced an article from the Trinidad Guardian written by former Guyana Information Minister Frank Campbell who, he said, had admitted that the aim of the state-owned media in the country was to distort the truth.

The Catholic Standard editor thanked the regional media for sticking with the paper in its troubles, and added that this was a source of encouragement.

Among those witnessing the presentation were Managing Director of the Express newspaper in Trinidad and Tobago, Ken Gordon, General Manager of the Caribbean News Agency (CANA), Harry Mayers, Executive Secretary of the Caribbean Press Council (CPC), Alister Hughes and CPA President, Aubrey Fraser.

Former Roman Catholic Bishop of Guyana, R.L. Guilly, under whom the late Fr. Darke, had served, also attended. (CANA).

## CARICOM EXPORT SALES TO CANADA DOUBLED IN 1982

Bridgetown ADVOCATE-NEWS in English 25 Oct 82 p 1

[Text]

Caribbean Community (CARICOM) countries more than doubled their export to Canada last year with sales totalling CAN\$183.9 million compared with the CAN\$74.8 million of 1980, according to a report received here from the Canadian Association for Latin America and the Caribbean (CALC).

The increase amounted to 146 per cent.

CALC said that Jamaica and Trinidad and Tobago registered massive increases in exports to Canada while Barbados and the Leeward and Windward Islands showed a decline.

Exports from Jamaica were up CAN\$47.6 million last year when CAN\$97.5 million in goods were sold compared to CAN\$49.9 million in 1980. Jamaica exports were mainly alumina, liquers and rum.

Trinidad and Tobago sales to Canada climbed by CAN\$64.1 million to CAN\$75.3 million. The 1980 total was CAN\$11.2 million.

Trinidad and Tobago main exports to Canada were crude petroleum, aviation and diesel fuel, lubricating oils and rum.

Barbados sold Canada CAN\$2.1 million less in goods last year than in 1980. The value of exports was CAN\$9.3 million in 1981 compared with \$11.4 million in 1980.

Barbados chief exports were molasses, sporting goods and outerwear.

The Leeward and Windward

Islands share of the market declined by CAN\$0.5 million to CAN\$1.8 million against CAN\$2.3 million in 1970.

The goods from the Lesser Developed Countries (LDCs) of the CARICOM were essentially nutmegs and mace, cocoa and clothing.

Canada's export to the CARICOM increased by CAN\$16.1 million last year, compared to the same period in 1980. The 1981 sale amounted to CAN\$25.6 million as against CAN\$243.5 million in 1980.

Trinidad and Tobago was the CARICOM state absorbing the largest amount of goods—CAN\$105 million worth in 1981, down CAN\$14.3 million on the 1980 figure of CAN\$119.3 million.

Jamaica's imports from Canada were up by CAN\$18.2 million last year to CAN\$80.7 million compared to CAN\$62.5 million in 1980.

Barbados bought CAN\$7.3 million more of Canadian goods last year when the bill totalled CAN\$40.7 million compared to CAN\$33.4 million in 1980.

Canada's main exports to the Caribbean Community were telecommunications equipment, foodstuff, pharmaceutical products, newsprint, lumber, wheat, skim milk powder, port equipment, aluminium, tinned herring and sardines, wire and cable, textile materials and building materials.



## MOKO DISEASE ERADICATION PROGRAM MAPPED FOR CARIBBEAN

## European Grant

Bridgetown ADVOCATE-NEWS in English 22 Oct 82 p 7

[Text]

CASTRIES, St. Lucia, Thursday. (CANA) —The Windward Islands Banana Association (WINBAN) has received a \$300 000 (EC\$1 equals 33 cents US) grant from the European Development Fund (EDF) to finance a project to eradicate the dreaded Moko disease in the four producing countries — Dominica, Grenada, St. Lucia and St. Vincent.

The WINBAN Communications Centre here said yesterday that WINBAN had entered into a contract with the Caribbean Community (CARICOM) Secretariat to provide the necessary expertise and services.

The secretariat would also conduct the field and laboratory work aimed at containing and eradicating the disease which threatens the banana industry of the Windward Islands, particularly Grenada.

Bananas are the key export crop of the four states.

The WINBAN-EDF con-

tract was signed by Dr. Errol Reid, acting director of WINBAN research, Grenada's finance Minister, Bernard Coard on behalf of the CARICOM Secretariat and Mr. Gerald Watterson, delegate of the European Economic Commission in Trinidad.

WINBAN will be responsible for the project, which comprises a survey of incidence of the disease in the islands, development of containment programmes for identified and affected areas, assessment of and recommendations on public awareness and legal backup programmes on the identification and control of the disease.

In Grenada, where Moko disease has already been identified, the project staff will also assess present control measures and where necessary, recommend improvements.

They will also investigate banana and plantain varieties resistant to Moko and advise

on possible alternative crops for establishment in affected areas.

WINBAN said it was hoped that over an 18-month period, any incidence of the disease in Dominica, St. Lucia or St. Vincent will have been detected, contained and possibly eradicated.

It was also expected that in Grenada the disease will have been contained and improved eradication measures will have brought it under control.

According to WINBAN, Moko is one of the oldest known diseases of bananas, having been first found in 1840 in Guyana. Since then, it has been discovered in Trinidad and in various Spanish-speaking countries in the region.

In 1978, Grenada became the first Windward Island to report the disease. WINBAN described Moko as a very serious disease of the banana family, one that was mainly responsible for the decline of the Trinidad and Tobago banana industry.

## Contract Signing in Grenada

St Georges FREE WEST INDIAN in English 16 Oct 82 p 5

[Text]

HELP has come to Grenada and other countries in the Windward Islands to eradicate the dreaded

moko disease, which affects one of Grenada's main export earners, banana.

A contract to implement a moko eradication programme was signed on Thursday by authorizing officer and Deputy Prime Minister, Bernard Coard; acting director of research of the Windward Islands' Banana Growers' Association (Winban), Dr. Errol Reid, and delegate of the Commission of the European Economic Community (EEC), Dr. Gerald Watterson.

The 18-month programme, financed by the EEC through its funding arm, the European Development Fund (EDF), to the tune of \$775,000 will be administered by the Caricom Secretariat and executed by Winban, based in St. Lucia.

It will identify the infected areas and implement measures to contain and eradicate the disease wherever it occurs. It will also assess and improve existing control measures and identify alternative crops to establish on the affected areas.

Grenada will benefit most from the programme because its industry is highly infested

with moko. The programme will attempt to eradicate Moko here, and to prevent its spread to the other Windward Islands, which also heavily depends on banana production.

Around 220 acres or 140,000 banana plants have had to be destroyed because of moko. Minister of Agriculture George Louison said at the signing. And within the past weeks, new areas have been identified where the disease has broken out.

EEC has already given Grenada assistance in health, education, production and other areas, including re-establishment of the Mirabeau Farm School, and with the Eastern Main Road, Min. Louison pointed out.

Working along with the Caricom Secretariat and Winban allows for further regional integration, he added.

Watterson said he would be happy if the programme could find economically viable methods of controlling and eradicating moko, within the industry's means and easily understood and implemented by farmers.

CSO: 3298/101

## BRIEFS

VENEZUELAN MISSION TO TRINIDAD--THE VENEZUELAN Ministry of Foreign Affairs is beefing up its mission in Port-of-Spain with the appointment of an Attache and First Secretary. And by the end of the month a new Charged'Affaires will be in office succeeding Mr Francisco Iturbe, who has been reassigned to Kingston, Jamaica, after two years in Trinidad. Mr Francisco Alvarez Corsira, 39, a lawyer and career diplomat is the new Charge d'Affaires and Mr Carlos Gonzalez, 39, Attache. Mr Alvarez served in the department of International Co-operation and his last posting was in Havana, Cuba, while Mr Gonzalez came from Saint Lucia. Miss Vellia Villegas will be the new First Secretary. Two days ago, Congress endorsed the appointment of ambassador-designate Amry Tournon Lugo, 39, a lawyer and career diplomat as envoy to Port-of-Spain. Mr Tournon is expected in Trinidad by the first week in November. [Port-of-Spain TRINIDAD GUARDIAN in English 8 Oct 82 p 3]

CSO: 3298/098

## BARBADOS, NIGERIA EYE AREAS RIPE FOR CLOSER COOPERATION

## Envoy's Talks With Tull

Bridgetown ADVOCATE-NEWS in English 26 Oct 82 p 1

[Text]

Barbados and Nigeria will continue to develop closer bilateral relations particularly in the areas of air services, tourism, culture and technical assistance in sugar.

This was discussed yesterday when Minister of Foreign Affairs, Mr. Louis Tull met with Mr. Emmanuel O. Fowora, Nigerian High Commissioner designate to Barbados.

On the topic of air services, Mr. Fowora indicated that following the signing of the Barbados-Nigeria Air Services Agreement, his government had asked Nigerian Airways to look at the feasibility of operating routes in the Caribbean. He also disclosed plans for a Nigerian cultural troupe to visit Barbados next year. Minister Tull welcomed these

initiatives toward tangible co-operation and in this regard noted that an Educational-Cultural-Scientific Agreement was soon to be signed by the two countries.

International issues and U.N. matters also came up for discussion. Mr. Tull and Mr. Fowora both hoped for an early settlement to the Namibian issue and condemned South Africa's continued aggression against the people of Namibia. Both Barbados and Nigeria are assisting in training Namibian students.

Today Mr. Fowora will present his credentials to the Governor-General, Sir Deighton Ward and continue his round of courtesy calls. Mr. Fowora is due to leave Barbados today.

## Meeting With Governor General

Bridgetown ADVOCATE-NEWS in English 27 Oct 82 p 1

[Text]

Mr. Emmanuel Olufemi Fowora, High Commissioner-designate of the Federal Republic of Nigeria to Barbados, who yesterday presented his credentials to Governor General, Sir Deighton Ward, said his country was encouraged by the growth in the bilateral co-operation between the two countries.

Mr. Fowora also noted that a Cultural Agreement between Nigeria and Barbados would be concluded before too long, and said he was proud to see the ratification between the two Governments for the Air Service Agreement between Nigeria and Barbados.

The High Commissioner-designate said his country was



delighted to see the progress made in Barbados regarding the utilisation of local resources for maximum benefit, and noted that over the years this utilisation had raised Barbados' standard of living substantially.

He said yesterday's meeting was another indication of the determination of the two countries "to continue to maintain and strengthen the bonds of friendship and affinity that have bound us together through the ages," and he believed the excellent relations between the two countries was based on the ideals and common interests the two nations shared.

Mr. Fowora expressed his country's commitment "to the policy of maximising the control of our national resources in order to provide the basic needs and fulfill the aspiration of our people in the pursuit of justice among nations," and delivered special greetings to the Governor General from President of Nigeria, His Excellency Alhaji Shehu Shagari.

Sir Deighton in response reaffirmed Barbados' commitment to assisting in the elimination of the crime of apartheid.

The Governor General

acknowledged Nigeria's "contribution to the maintenance of peace, stability and the upholding of justice on the African Continent," and expressed his satisfaction regarding that country's participation in the Organisation of African Unity.

Mr. Fowora replaces His Excellency, Mr. Oluremi Adolesa, who recently completed his tour of duty as High Commissioner of Nigeria to Barbados. The Governor-General told the new High Commissioner he had every confidence that Mr. Fowora would continue to build on the "solid foundation" laid by his predecessor.

The two countries, the Governor General said, shared the same national goals of on-going social development, and he noted Barbados welcomed the Air Services and Cultural Agreements, which he believed would act for the "greater good" of the two countries.

The Governor-General extended his greetings to President of Nigeria, Mr. Alhaji Shehu Shagari, and conveyed to the Nigerian people, on behalf of all Barbadians, best wishes for that country's continued prosperity.

## BANK HEAD BLACKMAN COMMENTS ON ECONOMIC PROSPECTS

Bridgetown ADVOCATE-NEWS in English 23 Oct 82 p 1

[Text]

Barbados is projecting an end-of-year balance of payments deficit no larger than last December's Bds \$82 million, due to major loan inflows, according to Central Bank Governor Dr. Courtney Blackman.

But Dr. Blackman said he expected the local economy to remain "under pressure" until about the third quarter of 1983, by which time the recession in North America and Europe should have eased.

"Tourism so far this year is down by about 14 per cent. The demand for goods within the country has begun to slow down and so the manufacturing sector has been down slightly," the Central Bank Governor said.

"The only bright spot so far this year has been exports of manufactured goods which have been up by nearly 17 per cent. So for the rest of the year I think we can expect the economy to continue to be under pressure," he added.

Apart from manufacturing and tourist arrivals, which registered a 12.2 per cent drop for the first eight months of the year, sugar production fell to 85,550 tonnes last year —

the lowest output since 1948.

"We should end this year with a balance of payments deficit of about the same magnitude as last year — about 80 million dollars," Dr. Blackman said last Thursday night in an interview with the state-owned Caribbean Broadcasting Corporation (CBC) television station.

The International Monetary Fund (IMF) last month announced the approval of US \$47.2 million in loans for Barbados, of which \$33.8 million comes under a 20-month standby financial arrangement. The balance of the financing comes from the agency's compensatory financing facility which caters to countries faced with a reduction in export earnings.

Dr. Blackman said Barbados had received about US \$25 million so far and "this has put us in funds and should make our liquidity position reasonable satisfactory for the rest of the year."

He described the "conditionality" for the loans as mild and said the fund had not committed Barbados to any severe departures in policy.

"We continue along the same policy line that we have

been carrying out and the terms and conditions of the repayment are much milder than if we had gone into the world financial markets to borrow the money," the governor added.

Dr. Blackman said he saw no reason why credit restrictions imposed here several years ago to stave off a draw on the foreign reserves should be eased at this time, "we have to continue to be cautious," he said.

There was a possibility that there could be a slight reduction in general interest rates, he felt, but this would be dependent on the movement of interest rates abroad.

Dr. Blackman said he personally believed that the United States economy, to which Barbados' is closely linked, should definitely begin to show signs of improvement by the second quarter of next year.

".....The earliest that we can expect positive relief is probably the second half of 1983. So I think that the Barbadian economy will continue to be under severe stress, certainly for the rest of this year and probably into the next 12 months," the governor said.

## MINISTER TERMS CARIBBEAN FOOD CORPORATION INEFFECTIVE

Bridgetown SUNDAY ADVOCATE-NEWS in English 24 Oct 82 p 1

[Text] MINISTER of Agriculture, Dr. Richard Cheltenham, has said the Caribbean Food Corporation (CFC) was the biggest project error Government had participated in.

Speaking at the opening of the Caribbean Agricultural Research and Development Institute's (CARDI) Tissue Culture Laboratory and Yam Propagation Centre in diamond Valley, St. Philip Friday evening, Dr. Cheltenham said even after six years in operation, the CFC did not have one project to show it had ever been successfully launched.

The CFC, whose main objectives were the production, processing, packing, storage, transportation, distribution and marketing of food in the Caribbean, was established in 1976 by an inter-Governmental agreement, in which all 12 Caribbean Community (Caricom) states participated.

The Corporation operated with an authorised share capital of some TT \$100 000 000, which was divided into shares of \$1 000 each, and was supposed to "give added impetus to the whole movement towards the rationalisation of regional agriculture." The Corporation was to have served as a practical starting point which would allow planners to cease with discussions on rationalisation in abstract terms.

Dr. Cheltenham said he had observed the return of enthusiasm of farmers into agriculture, and he felt nothing should stand in their way in producing. "It is very important," he said, "that farmers not be frustrated in getting their produce into the export market."

Dr. Cheltenham challenged CARDI to make all farmers in Barbados aware of the developments at the new Centre and to see them get the virus-free tuber yams into the ground. He said he hoped that after two to three years, "we would have all virus-free material planted."

The Minister, who declared the Centre open and unveiled a plaque on the building, said there was a lot of concern among regional Governments over the number of research units across the Caribbean who were not as answerable to Governments as they should be, and subsequently, the Governments were not getting value for their money.

He alerted CARDI and other research units in the region that Governments would be scrutinizing them to avoid duplication and further wastage. He cited the CFC as an example of the failure of some of these projects, which promised a lot but yielded little.

Dr. Cheltenham said he hoped to see CARDI move into sweet potatoes as well as yam propagation, and deemed the project "A landmark" in agricultural research.

CSO: 3298/104



## ADAMS ADDRESSES PARLIAMENT ON SUGAR INDUSTRY PROBLEMS

Bridgetown ADVOCATE-NEWS in English 28 Oct 82 p 1

[Text]

The Government of Barbados is considering introduction of an incentive scheme to encourage the reaping of green canes.

This has been stated by Prime Minister and Minister of Finance, Mr. Tom Adams, while introducing a resolution in Parliament to ascertain approval for the Government to act as guarantor of a \$17 million issue of Sugar Industry Bonds.

Mr. Adams said that the island's sugar industry could never return to full viability and profitability unless the burning of canes was reduced.

He said that the incidence of cane fires has been identified as a major cause for the fall in the yield of sugar over the last 25 years.

The Prime Minister said that there was hardly anyone who benefited from the burning of canes, and added that the Government was considering a general incentive scheme to encourage the cutting of canes green.

He said that this scheme would be for cane cutters where a particular percentage of canes were cut green.

Barbados Sugar Factories Limited has agreed to borrow \$17 million by the issue of bonds for the purpose of financing the Sugar Support Fund which shall be used to finance its operations in processing of sugar cane; and to make loans to sugar cane growers.

Mr. Adams said that the

sugar industry in Barbados has suffered from bad prices and bad weather, and in some cases, at all levels had relations in the industry.

He said that the concept of a Sugar Support Price was nothing new, but Barbados was not in the position to support a sugar support price as like in the EEC or the United States.

He said that the local position must be geared to suit the needs of the country and the means of the country.

Mr. Adams said that therefore, a system had been devised whereby a loan would be provided in the first place, and depending on the performance of the industry, it would decide if the loan would be turned into a grant.

The Prime Minister said it was decided that \$17 million was needed to support the price, and this was what the sugar industry was seeking to raise by the bonds issue.

He said that there would be taxable bonds which would carry interest at 13½ per cent which would be suitable to the life insurance companies in the island; and another set of taxfree bonds with interest at 10 per cent which would be more suitable to the general business community.

The Prime Minister said that Government was concerned to see the sugar industry returned to the level of viability; and he further disclosed that the Ministry had been urging upon the Barbados Sugar Factories Limited that it should appoint a financial controller.

## FIGUEIREDO PLEDGES CONSTITUTIONAL REFORM AFTER ELECTION

Rio de Janeiro O GLOBO in Portuguese 15 Oct 82 p 4

[Speech by President Joao Figueiredo in Governador Valadares, Minas Gerais, on 14 October 1982]

[Text] Governador Valadares--President Joao Figueiredo said during a speech in this city yesterday that the final objective in his democratic plan depends, "and to a great extent," on this year's elections. Speaking to over 45,000 people in a public square, he announced that he would promote constitutional reform after the November elections.

Figueiredo asked the people to elect as many PDS [Social Democratic Party] congressmen as possible, saying that he needed them in order to have a "maneuvering force" capable of leading to constitutional reform. He explained that he wants a new Constitution that will be "less redundant and more objective, less prolific in adjectives and adverbs, contain few verbs, but all in the present tense, and be succinct, leaving to ordinary legislation the things that Congress can decide on."

The president regarded yesterday's rally in Governador Valadares--a municipality which traditionally votes for the opposition and has over 100,000 voters--as the biggest he has attended since taking office. Senator Jose Sarney, national deputy chairman of the PDS, Governor Francelino Pereira, and all the candidates running for office on the PDS ticket in Minas Gerais attended the rally, which was held in Pioneer Square. The rally began at 1730 hours and ended after 2000 hours.

#### Rally

Beginning at 8 am yesterday, about 45,000 enthused people (the number estimated by President Figueiredo's security staff and the Valadares Military Police) began gathering around the Tapajos Electric Trio (hired by the Minas Gerais

PDS) in Pioneer Square to wait for the rally, which began at 1735 hours and ended shortly after 2000 hours.

The president, who arrived in Valadares an hour late--at 1325 hours--strolled through the crowd on Minas Gerais Avenue, where his 11-year-old namesake Joao Batista Figueiredo presented him with a tourmaline (a precious stone that is very common in the area) on behalf of the city's children.

The rally was opened by Eliseu Resende, the PDS candidate for governor of Minas Gerais, who guaranteed that he would win and said that his victory would be "a demonstration of the Minas Gerais people's gratitude for President Figueiredo's democratic work." Eliseu asked the people to compare his message with that of the opposition parties, which he said "only throw stones at windows, unlike the members of the PDS, who are accustomed to carrying bricks for the construction of the country."

The next speaker was Governor Francelino Pereira, who before the rally had signed a document making 2.8 billion cruzeiros available to Governador Valadares for the construction of low-cost housing.

Minister Ibrahim Abi-Ackel was the speaker who received the most applause. He recalled that Governador Valadares, from where he had been elected, had been visited by only two presidents of the republic: Getulio Vargas and Juscelino Kubitschek. He compared Figueiredo to both of them, recalling that they had "governed with outstretched hands. They did not lock themselves up in their palaces, and they reconciled the government with the people."

Vice President Aureliano Chaves, who was the last speaker before Figueiredo, emphasized the "necessity" of having a mayor, governor, and president of the republic who were all on the same team. Reminding his listeners that Figueiredo would remain in office until 1985, he asked them to support the PDS candidates.

"My Final Objective Depends on 15 November"

President Figueiredo delivered the following extemporaneous speech in Governador Valadares.

I wrote a speech to read to my fellow countrymen in Minas Gerais and, in particular, to the inhabitants of Governador Valadares. But I am going to repeat here what I said a few days ago in little Paraiba: the warmth, affection, kindness, and enthusiasm with which I am being welcomed here by the population of Governador Valadares, as I was in Paraiba, compel me to speak to you off the cuff in what is not so much a speech as a presentation of a few reasons for my

attitudes. And I am doing this in appreciation for your generous welcome--as a tribute to the good people of this land of Minas Gerais.

When I was still a candidate, I pledged to the nation that I would make this country a democracy. I brought with me a combination of three strengths: the strength of my faith in God, the strength of my democratic faith, and the strength of my will. Those strengths had to propel the only weapon they had, which was the certainty that I would speak only the truth. Very few people expected anyone to believe a general fresh out of the barracks and accustomed to talking only to his soldiers, his cadets, or his officer candidates at the War College. But I was convinced that if I told the people of my country the truth, they would become convinced that I was sincere and that I was in fact trying to normalize our country's democratic life.

There were times when, in my bursts of enthusiasm, I would say certain things that the opposition is still exploiting today by saying that I seize and break those who have opposed me. But fortunately, so far I have not had to seize anyone. On the contrary, I have released them from exile and let them speak. And neither have I had to break the most radical members of the opposition, because they have broken themselves over the past 3 years. I also said as a candidate that you should not expect me to be a president of etiquette and protocol because I was not familiar with those things: the only protocol I knew was military ceremonial and the rules on military salutes. I said that you should not expect me to be an artificial president because as president, I had to continue believing in what I had been during my 43 years of service in the army. I said at the time: I am what I am, and I am not going to change. I feel that I have also kept my word in that respect.

The strength to say things when necessary, the strength to become irritated at times with the nature of certain people in the opposition, and the strength to become irritated when they try to lead me down paths I was not seeking are what have brought me here to Governador Valadares today after almost 4 years of traveling to the far corners of Brazil. And despite certain instances of incomprehension on the part of some members of the opposition who receive coverage in some sectors of the press--despite that, I have reached this point in my course in the certainty that I have won at least one victory: the people are sure that I have not lied to them during these 4 years.

Sometimes, to tell the truth, my abruptness goes so far that it harms the interests of my party itself--in an election year, for example, when I speak frankly to a mayor who has asked me for an appropriation because without it he will lose the election: I tell him publicly that he is already losing because I am not giving him the appropriation--because I don't have it. I never promised anything that I was humanly and physically incapable of doing.

But I did promise one thing, and that was to normalize this country democratically. Part of that task was up to me, while the other part was going to depend on what I could convey to the people. And I see today that the people have gotten my message. My promise was accepted with confidence by my people in the certainty that if I have not brought better days, I have at least managed to avoid worse days, and those worse days were approaching.



And it is encouraging for me to come here to Governador Valadares, a city to which I have given little or nothing. At times I have even opposed certain yearnings by the inhabitants of Governador Valadares--but I opposed them because it was physically impossible for me to accommodate them at the time. And I have the satisfaction of seeing that despite that--despite the little that I have done for the region--the people are welcoming me in the affectionate manner that I see here, as though to say that they believe my message and are encouraging me to stay on. The satisfaction that I feel here today will serve to encourage me to stay on until the end and to pursue that objective of normalizing our country.

This satisfaction would have been denied me by the opposition, which, speaking in the name of democracy, felt that I should not go out to public squares and speak to the people, preach my ideas, defend my party, and ask the people to vote for my candidates. When they said that, they were benefiting from the amnesty and from the freedom of expression that I granted them so that they could come to public squares and democratically present their ideas and also attack and slander me. And they call that democracy.

I was careful to consult those more familiar with the country's legislation than I am. I asked jurists whether I would be breaking one of my country's laws by going to public squares. And to date they have not told me--no jurist has told me--that I would be violating my country's laws. When I look at the example of other countries that are pointed to as examples of democracy, I see that in those countries--which we are trying to take as examples--the chiefs of state visit every corner of the country to campaign for their parties. I have a clear conscience in feeling that I am within my rights as a citizen to be here with my people to tell them what I think and also to hear what they are thinking.

I came here to Governador Valadares, a city which I am visiting for the first time and which has given me my best reception since I became president of the republic, to tell the people of this land that I am going to continue on the democratic path I have chosen and that the elections of 15 November will determine to a great extent how fast I can reach my final objective. I ask the people of Governador Valadares to elect Eliseu Resende the next governor of Minas Gerais and to elect Bias Fortes to be Eliseu Resende's lieutenant governor. I ask them to send Fagundes Neto or Joao Marques to the Senate. I ask them to give me one of our three candidates as mayor and to elect our candidates as state and federal deputies so that I will have, in the Legislative Assembly and the Chamber of Deputies, the maneuvering force I need for making our Constitution less redundant and more objective--so that our Constitution will be less prolific in adjectives and adverbs, contain few verbs--but in the present tense--and be succinct, leaving to ordinary legislation those things that Congress can decide on.

I thank the community of Governador Valadares, the mayors of the Rio Doce Valley, the politicians, and particularly the candidates for municipal councilor for the understanding and reception that have thrilled me.

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CSO: 3342/18



## CANDIDATES RECEIVING COMMUNIST SUPPORT, SAYS NEWSPAPER

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Nov 82 p 40

[Text] Luis Ignacio da Silva and Franco Montoro in Sao Paulo; Aluisio Alves in Rio Grande do Norte, and Marcos Freire and Iris Rezende in Goias, are some of the names contained in a list of 291 PT [Workers Party] and PMDB [Brazilian Democratic Movement Party] candidates in 20 states, all of them supported by communists and other allegedly leftist groups, according to an accusation made yesterday by the newspaper CORREIO DA BAHIA published by Governor Antonio Carlos Magalhaes.

The prominently published list names 10 leftist organizations, some of them unknown by the Federal Police, which allegedly are giving their support to the PT and PMDB candidates, who in turn "are involved in a national plan whereby if elected they would join forces to overthrow state and federal governments, imposing communism in Brazil," says the newspaper. It also states that with respect to the members of the majority slates of the two parties, the communists "have already publicly declared that they support their candidates unconditionally, because it is part of the general plan of subversion that the PMDB governors, if elected, will reserve some state secretariats and posts of trust for the communists, who will thus have control of part of the state."

The state with the largest number of candidates mentioned in the accusation by the newspaper was Bahia itself, with 64 names among federal and state deputies and others running for the most diverse posts from the PT and PMDB. In second place is Sao Paulo with 37 names, among whom are Ruth Escobar (who allegedly has the support of the PCB [Brazilian Communist Party]), Ricardo Zaratini Filho (according to the newspaper supported by the MR-8, as is Montoro), and Luis Ignacio da Silva, who allegedly has the support of a coalition made up of Socialist Convergence (CS), the International Socialist Organization (OSI), and an unidentified organization, the PORT. In Rio, Lysaneas Maciel and Wladimir Palmeiras of the PT appear to be linked to the Movement for the Emancipation of the Proletariat (MEP). In Amazonas, Gilberto Mestrinho of the PMDB is breaking records--according to the newspaper--in terms of coalitions of the left: PCB, PC do B [Communist Party of Brazil], OSI, CS and ORM-DS (the Salvador Federal Police say they have no information on the last organization).

## Protest

Former Salvador Prefect Mario Kertesz yesterday filed a protest in the Regional Electoral Court [TRE] against Governor Antonio Magalhaes, accusing him of the crime of slander because he called him a "thief" and a "stinking Jew" at a rally last Thursday night at the Boca do Rio district on the waterfront area of Salvador.

In the protest, Kertesz includes excerpts of the Magalhaes statement in which the governor declares that the former prefect built the house he lives in from material belonging to the prefecture "with the people's money," and he accuses him of being a "gigolo because he wants to elect a woman to support him." Eliana Kertesz is candidate to councilman for Salvador from the PMDB. Magalhaes, still according to the document delivered to the court, called the former prefect "a smelly goat" and a "stinking Jew." The protest also cites the fact that in addition to the statements at the rally, the accusations were published by the governor's newspaper, CORREIO DA BAHIA, the following day.

The reference to "stinking Jew" made by Magalhaes at the rally and heard by more than 1,000 persons, had a great negative effect on the Israeli community. The first direct reaction appears to have come from the Rio de Janeiro Israelite Federation in a telegram of protest from its president, Paulo Goldrajch. Later, a group of Jews from Bahia went to Ondina Palace and there Magalhaes changed his tune: He denied he had made the reference to Kertesz and blamed the attribution to the newspapers. In yesterday's edition, CORREIO DA BAHIA published what it reported was a second telegram from Paulo Goldrajch making an apology "for the previous expressions contained in a telegram from the Rio Jewish Community" and stating it was unfortunate that the newspaper O ESTADO DE SAO PAULO had incorrectly published the statements by the governor. The statements, as the suit against the governor by Mario Kertesz emphasizes, were made from speaking platforms and were also published by Salvador newspapers.

## Documentary

The PMDB yesterday filed a protest-warning in the Regional Electoral Court, asking the court to confiscate a documentary which was to be aired during prime time last night by a three-station television network of Salvador. The documentary is a 35-minute film on the life and work of Governor Antonio Carlos Magalhaes similar to "Joao, a Brazilian," on President Figueiredo, withdrawn from the air by electoral legislation. The PMDB representative on the TRE, Ignacio Gomes, said that the party only received the information shortly before yesterday noon.

Ignacio Gomes also said the PMDB is still worried about the problem of electoral fraud in Bahia and will seek to have the TSE [Electoral Supreme Court] force a recount of the Bahia voters after the elections. "We are going to show what a farce an election is in the state. However, we are acknowledging and respecting the fact that the TRE is overburdened with work but later we are going to insist," he said.

## "Exaggeration"

The IBGE [Brazilian Institute of Geography and Statistics] delegate in Bahia, Francisco Valadares, believes it is "exaggerated, very high and practically impossible" for there to be 4.5 million people who can vote on 15 November in Bahia, as was revealed by the TRE. According to Valadares, it is estimated, based on figures of the 1980 census, that there are 2,836,831 persons who can read and write and over 18 years-of-age who are eligible to vote.

The IBGE delegate pointed to the fact that the 4.5 voters found by the TRE, would be equal to almost half of the population of the state of Bahia as counted in the last census: 9,472,523 persons.

## Support

In Salvador yesterday, the PMDB disseminated a manifesto of support for its majority slate signed by 80 prominent figures in Brazilian arts and sciences. The list is headed by the name of Oscar Niemeyer, Chico Buarque, Antonio Houaiss, Nelson Werneck Sodre, and also contains the names of Bahia singers and composers Gilberto Gil, Baby Consuelo and Pepeu Gomes. In the manifesto, published as an entire page of Salvador newspapers and distributed as a pamphlet, the intellectuals recall Rui Barbosa and the "ideal of freedom, so dear to the traditions of Bahia."

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CSO: 3342/25

## CENTRAL BANK CHAIRMAN CARLOS LANGONI ON ECONOMIC CRISIS

Sao Paulo VEJA in Portuguese 6 Oct 82 pp 5-6, 8

[Interview with Carlos Langoni, chairman of the Central Bank of Brazil, by Jaime Mattos in Brasilia; date not specified]

[Text] It is part of Carlos Geraldo Langoni's job to always be ready with a reasonable answer to difficult questions. Such questions usually have to do with Brazil's cyclopean foreign debt (\$80 billion), and in most cases, the questioner is some worried and distrustful international banker. By temperament, Langoni--a 38-year-old Flamengo fan from Rio de Janeiro who jogs in the morning and plays tennis at night in Brasilia--would use the same moderate tone that he uses with the bankers even if he were not chairman of the Central Bank of Brazil. But he is, and he has more on his hands than just the problem of explaining why Brazil has practically escaped the storm that began to break in 1978, when interest rates shot upward. He is also responsible for managing the Brazilian debt, watching over the country's monetary reserves, and also losing a few kilograms trying to obtain loans that will keep the Brazilian economy's machinery operating.

Langoni says: "It was not Brazil that caused the crisis." And, he explains, "Brazilian authorities avoided reforming the economy at the beginning of the storm because of the social costs--such as unemployment--that would turn up the patient's belly during the emergency surgery." The time to reform has arrived, however, and it is forcing those responsible for economic policy to lower their pitch as they repeat the old phrase that "everything is under control." Langoni appears as a grim herald and talks about revising priorities: he says, for example, that we should forget the effort to industrialize at all costs, be satisfied with more modest levels of foreign money, and never consider any more gigantic public works projects like Itaipu. With austerity being decreed, the government must set an example, he says. To start with, it must sharply reduce the 2 trillion cruzeiros in subsidies for 1982--that big hole that swallows up money

which could be used for investments. At his home in Brasilia, Langoni talked to VEJA.

### Money Will Be Scarce

VEJA: President Joao Figueiredo, Minister Delfim Netto, and you yourself have been saying for over a year that the situation in the Brazilian economy is under control. Suddenly, the entire government is beginning to blame the international crisis for all the growing tribulations in Brazil. Why has that change in attitude occurred? After all, in its message to Congress in 1981, the government prided itself on the fact that the economy had grown by 8 percent in 1980, "contradicting pessimistic expectations."

Langoni: The government has recognized for quite some time that there are distortions in the economy. The strategy has always been to take a gradual approach, however, because of concern over social issues. But that gradual approach was critically dependent for its success on two factors: access to the financial market and a continuation of the rules of international trade. No one could have imagined such drastic changes on the world scene--for example, that Mexico, a petroleum-exporting country, would be the first Latin American country forced to renegotiate its debt. It was those changes which were responsible for the change in the government's inclination to deal with the economic problems in a gradual manner.

VEJA: How did Brazil become engulfed in the current international economic crisis?

Langoni: Brazil had been making a big effort to adapt to the difficulties in the world economy, and the basic feature of its effort was easy access to the financial market and international trade. That pattern functioned relatively well from 1974 to 1978. The first important change in the world crisis from a qualitative standpoint occurred in 1978, when the second oil shock was superimposed on the financial shock--the rise in interest rates in the United States. We then passed from a phase in which we could obtain abundant financing on the international market--practically in subsidized form, since the real financial costs were lower than the world's inflation rate--to a phase in which money was still available but at a growing cost. And beginning this year, we have begun to sense a change in the situation: there is now less liquidity, and, chiefly, we are no longer as certain of the availability of funds. Along with that situation, considerable uncertainty is beginning to appear in international financial markets, and the cost of money, although falling, remains at levels never before experienced in the world economy. Real interest rates are 7 percent higher than world inflation.

VEJA: When can we expect to see the world financial market return to normal?

Langoni: An important date in the international financial market--which may in fact return to normal--will be the date on which a permanent solution is found to the Mexican problem. And that is what Brazil, in particular, is anxiously awaiting. It is difficult to predict, but we hope that there will be an objective solution even before the new president takes office--that is,



before 1 December, which is when President-elect Miguel de la Madrid will take over from Lopez-Portillo.

#### More Discipline in Government Spending

VEJA: As long as those uncertainties continue, what steps will the Brazilian Government take?

Langoni: Today we must draw up a strategy for the Brazilian economy in a situation quite different from the one we faced in 1974 and even in 1978. The international financial market will become more selective--it will be more discriminatory. This means that fewer countries will have access to that market. I would say that Brazil is one of the few developing countries with a high foreign debt that will still have access to that market in the next few years. But even so, our access will be limited in comparison with previous years.

VEJA: How will that limitation on funds affect Brazil?

Langoni: The impression we got during the IMF meeting was that we would experience no difficulty in "rolling over" our debt. In other words, the amortization of Brazil's foreign debt--about \$8 billion by the end of the year--will be taken care of automatically by the bankers. The problem is to know how much we can count on in additional funds--that is, funds for investment.

VEJA: Since the country will need \$17 billion this year to meet its commitments, is it reasonable to suppose that the national economy will have to be reorganized?

Langoni: We need to work quite realistically. We currently estimate that Brazil will have to make an effort to reduce its total cash borrowing by about \$13 billion. Those figures represent a quite realistic estimate. That will be the starting point for setting up the entire economic policy for 1983 and probably for the next few years as well.

VEJA: Will there be a recession next year?

Langoni: What it means domestically in terms of revised investments is a much more complex question, and that will be worked out between now and the end of the year. I would say that there is a wide area in which the government can have an impact. Subsidies will certainly be a target. The fact is that a preponderant share of those subsidies today is being financed in an inflationary manner through issues--which is an unfair way to finance subsidies because in fact it amounts to financing by collecting an invisible tax that disproportionately penalizes the classes with the lowest incomes.

VEJA: So will there be a drastic cut in subsidies?

Langoni: In 1982 we will have subsidies and tax incentives totaling 2 trillion cruzeiros. That represents 68.3 percent of the total deficit, which is on the order of 2.9 trillion cruzeiros. So the total deficit is dominated by

subsidies and incentives. This means that there is a lot of scope for reducing the total deficit by revising the total subsidies. We feel that we could reduce the total deficit, which represents 5.7 percent of the GDP (about \$275 billion) to about 3.9 percent in 1983 simply by reducing subsidies in a nontraumatic way. In terms of reducing the public deficit, that would give us a gain of about 670 billion cruzeiros.

VEJA: How will the public sector itself contribute to the setting up of a new framework of economic austerity?

Langoni: On the agenda of institutional reforms, I would say that the first priority--the starting point--is a big effort which the government is already making, and which it will have to pursue in even greater measure in coming years, to discipline public spending. That effort involves more than a competent organization of the public budget--the tax budget, the monetary budget, and the budget for state-owned firms--but it will also have to include the deeper question of the state's role in the Brazilian economy. Essentially, we recognize that there has been excessive government growth in the economy.

#### Itaipu Would Have To Be Shelved

VEJA: Despite that, the figures show that in 1981--a year when there was a greater squeeze on the economy--the state-owned firms earned twice as much as the banks. The National Intelligence Service was even called in to tame them, and it failed. So what, specifically, can we really expect?

Langoni: In terms of efforts to control the public sector, and especially the state-owned firms, no administration has done as much as Joao Figueiredo's has. This needs to be recognized. The establishment of the Special Secretariat for the Control of State-Owned Firms is a big advance in itself. We are still taking our first steps. Until a short time ago, we did not even know how many state-owned firms there were in Brazil. Now, at least, we have an idea that there are about 500 of them. What this means is that we are just beginning to understand that strange beast known as the Brazilian public sector.

VEJA: Do you believe that the shortage of funds in the world may have the beneficial effect of restraining the state-owned firms in some way?

Langoni: Undoubtedly. Sizable investments that would have been viable or feasible 10 years ago can no longer be made. Itaipu, for example, which represents investments totaling \$12 billion, would be in great trouble today, and it would be automatically pigeonholed due to financing costs and the shortage of funds. Gigantism is inviable.

VEJA: And how will these new priorities be arranged?

Langoni: Brazil has a great opportunity to turn this crisis into something positive. I believe that in a sense, the measures that will be adopted on the basis of this new external reality are going to eliminate distortions that Brazilian society has been identifying and complaining about. In the first place, it will force the government to set an example. In other words, before anything

else, the government will have to manage its own accounts efficiently and competently. Since that in itself will not be enough, I can see the reform of social welfare, the reevaluation of labor relations, and the discussion of wage policy and tax reform as compulsory topics in next year's economic debates.

#### IMF Has no Funds

VEJA: What you are saying, then, is that there will soon be reforms in social welfare, the wage policy, and the tax laws. What will they be?

Langoni: There are no autonomous solutions to those problems in Brasilia's laboratories, since unequivocal solutions for such questions do not exist. It should be remembered that many of those topics will necessarily be submitted to Congress.

VEJA: Will the government team be able to benefit abroad if that adjustment is made?

Langoni: We are professionals. Brazil is a responsible country, and it is going to do its part. But it is essential that good sense prevail internationally. The industrialized countries will have to assume their share of responsibility for this crisis, which was not caused or scheduled by Brazil.

VEJA: In the discussion as to whether Brazil should or should not seek help from the IMF, what is your position?

Langoni: The basic point is the fact that in comparison with the private financial market, the IMF does not have sufficient funds available to make it a feasible alternative for the Brazilian economy. A second point is that going to the IMF requires that instead of a voluntary adjustment that can be carried out in a more balanced manner, there is a compulsory adjustment which, in a certain sense, is imposed from the outside. That alternative would be much less tolerable and more difficult to absorb. Lastly, there is no truth in the idea that going to the IMF provides the indispensable backing for continued access to the funds of private banks. We heard that same story--that same argument--in 1980, and we nevertheless see that the international financial community reacts reasonably when it sees that the country's economy is adjusting itself and moving to correct its imbalances as time goes on.

VEJA: So the economic reform is being planned to impress the international bankers?

Langoni: The fact is that all Brazil had to do was make a few adjustments and reverse the deficit situation in its trade balance at the end of 1980 and throughout 1981, and the immediate result was a favorable and positive reaction by the international banks. In 1981, without having gone to the IMF, Brazil borrowed \$17 billion on the private market. We feel that we can repeat that strategy, although we recognize that the adjustment effort will have to be even greater than in the past.

VEJA: But is there any resistance within the government team to the International Monetary Fund?

Langoni: We have no prejudices against the IMF. After all, Brazil is a member of that fund. But the sad fact in this international crisis is that the IMF has no funds--the scale of the IMF is not compatible with the scale of the Brazilian economy or with the scale of the international economic crisis.

VEJA: What can be done, then, to strengthen the IMF in this critical hour?

Langoni: Unfortunately, the industrialized countries, and particularly the United States, have not yet been perceptive and sensitive to that reality. The IMF meeting in Toronto was a big cocktail that disappointed all the participants.

VEJA: To those saying that Brazil should renegotiate its foreign debt, your answer is that it would be a fallacy to do so. Why?

Langoni: I am referring basically to the idea--which is a mixture of naiveness and an inadequate assessment of the problem--that renegotiation may postpone or eliminate the problem of Brazil's debt. The essential thing in this discussion is that there is no magic solution. Renegotiation is often presented to the Brazilian people as a panacea that will transfer the problem from Brazil to the bankers. That idea is false. We must be very clear about this: there can be no renegotiation without the IMF, and there can be no going to the IMF to postpone renegotiation.

VEJA: But would not renegotiation of the debt provide relief for the economy and make it possible to fight inflation more effectively?

Langoni: What might hypothetically be gained from renegotiation, in terms of suspending foreign payments, is more than neutralized by the virtual elimination of all international financial credit. There is a quite distorted view that the country can lose its credibility as far as cash borrowings are concerned but retain credibility as far as import credits are concerned. Such a thing does not exist. The country's credibility is all one thing. If you are in no position to honor your external commitments as represented by cash borrowings, then you are also in no position to deserve credit with which to import essential products, including petroleum.

#### Elections Will Be a Sign of Competence

VEJA: There is much controversy concerning the actual amount of Brazil's short-term debt. When it comes right down to it, what figures are we talking about?

Langoni: By definition, short-term debt is unrecorded debt. It consists basically of commercial credits tied to imports--especially petroleum imports--and of financing for importers. I would say that Brazil's short-term debt today, precisely because it is not recorded, is subject to revaluation. The latest estimates indicate something in the neighborhood of \$8 billion.

VEJA: What effects have this year's elections been having on financial circles?

Langoni: The November elections are being awaited with great expectations by the international community--above all because they may insure political stability and strengthen the process of institutional improvement, which is President Figueiredo's big objective. And there is no doubt whatever that the result as it is now shaping up--in favor of the PDS [Social Democratic Party]--is going to strengthen the international financial community's confidence in the government. As the country experiences this historic coincidence, in which the economic difficulties are occurring side by side with a political event that is so important to the Brazilians, it will demonstrate its competence and emerge strengthened as a nation.

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## MILITARY LEADERS WARN AGAINST RETURN TO ANARCHY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Oct 82 p 7

[Speeches by Minister of Air Delio Jardim dos Mattos and Minister of Navy Maximiano da Fonseca in Brasilia on 22 October 1982 in commemoration of Air Force Day]

[Text] Brasilia--Minister of Air Gen Delio Jardim dos Mattos and Minister of Navy Adm Maximiano da Fonseca delivered two tough speeches yesterday at ceremonies commemorating Air Force Day. They warned the voters against demagogues, revanchists, utopian "strategic liberals," and "temporary democrats."

In his speech, Minister Delio stressed that "the inventors of the unsuccessful trade-union republic are, in fact, an uncoordinated chorus that has been trying unsuccessfully for many decades to present a utopian harmonization of the Socialist Internationale with the national anthem." After saying that "the Brazilian people will give the proper response" to all of them in the upcoming elections, Air Force General Delio concluded by quoting the phrase by Air Force Gen Eduardo Gomes: "The price of freedom is eternal vigilance." He then ended his speech by saying: "Brazilians, we have confidence in you."

Adm Maximiano da Fonseca spoke in the same vein as the minister of air. He alerted the "youngest voters, who will be exercising the sacred right to vote for the first time and with the patriotism and idealism that are natural to youth," to "the fact that some people, having benefited from an amnesty inspired by the most noble intentions aimed at national pacification, are now presenting themselves as accusers, imbued with a deplorable spirit of revanchism and making promises to save the fatherland." He recalled that those people, "when they were in power, brought our Brazil to the dark and calamitous days that preceded March 1964."

The ceremony commemorating Air Force Day in Brasilia was held at the local air base and was presided over by President Joao Figueiredo, who arrived there at 10 am. The head of the government listened from the official reviewing stand to Minister Delio's order of the day concerning the date in question and witnessed the decorating of various officials--among them Minister Esther de Figueiredo Ferraz and Jose Ornellas, governor of the Federal District--with the Order of Aeronautical Merit.

The second part of the ceremony was held inside the presidential enclosure, where the minister of navy congratulated the air force on behalf of the navy and army and the minister of air delivered his speech of thanks.

**"Young People Must Be Alerted"**

Here is the complete text of the speech by Minister of Navy Maximiano da Fonseca.

The traditional renewing of this act of harmony does more than bring the top commanders of the armed forces together in a simple ceremony of congratulation. It celebrates the indelible feeling of comradeship that exists among us.

Bringing to the Brazilian Air Force [FAB] the fraternal greetings of its brothers on this day--on which all Brazilians rejoice in the glorious achievement of our immortal fellow countryman Alberto Santos Dumont--is unquestionably grounds for feeling most highly honored, above all since we are also representing here the sentiments of our glorious army, in whose name I have been delegated the privilege of speaking by His Excellency the minister and my highly esteemed friend, Walter Pires.

Saluting the FAB compels us to engage in brief reflection, since in its short existence, the FAB has succeeded in adding outstanding and splendid pages to our history--pages full of examples for the new generations and worthy of the admiration and respect of the Brazilians: something that would normally require the dedication and effort of many generations.

We are immediately impelled, therefore, to recall its patron saint, the illustrious Brazilian who first demonstrated the capability and fearlessness of our airmen to the world 76 years ago. Those virtues would later have to be abundantly proven in Italy's battle-filled skies by the then newly created armed force which consisted of brave men from the former naval and military air forces. Those men were fully capable of combining the best qualities of their original services to become part of the inherited traditions through their spilled blood, and what is important, they proved for good their high military worth.

Speaking of the FAB means speaking of national integration, the CAN [National Airmail] and its outstanding work, the old Cataline aircraft, the opening up of new air routes, and the support provided for the native inhabitants and the

mixed bloods. It means recalling the ITA [Technical Aeronautics Institute] and the CTA [Aerospace Technology Center], which represent the irreversible commitment to technology and progress. It means taking pride in the Bandeirante and the Tucano, the Xingu and the Brasilia, in EMBRAER [Brazilian Aeronautics Company] and a powerful aeronautical construction industry that has provided not only modern and comfortable airports but also pioneer camps in the middle of the jungle, and in the air defense and safety provided by the CINDACTA's [Combined Air Safety and Air Traffic Control Centers].

But above all, it means evoking the prowess of its manpower: the Brazilian airman.

It is he who, in the anonymity of arduous and long work, is the one chiefly responsible for the admiration and respect that our people feel for their air force despite its short existence, which goes back only 41 years.

There have been many teachers in the history of the FAB.

The list of their names is a long one, just as their deeds are extensive and wonderful.

If all those individuals were rolled into one, the resulting synthesis would certainly be Air Force Gen Eduardo Gomes, the unquestionable symbol of an entire force, the valor of its men, and their patriotism.

Mr Minister,

My special and dear friend Delio,

It is with well-founded happiness that the nation is tranquilly participating in the tribute being paid to our beloved air force at this time by the army and navy.

This ceremony, by providing proof of the certainty of our union, provides the Brazilian people with the necessary atmosphere of internal order, an indispensable condition allowing our supreme leader, President Joao Figueiredo, around whom we remain united, to continue to carry forward, with the determination and patriotism which are characteristic of him, his intentions for the democratization of Brazilian institutions. Fully supported by our unity, despite the skepticism of the pessimists, all of our president's promises are becoming a reality one by one. We will see one of the most important of them become a reality this coming 15 November with the direct participation of the Brazilian people. From that standpoint, and with my thoughts directed exclusively toward the fatherland's highest interests, my only credential being the experience I have gained in the 60-odd years of my life--45 of which have been devoted totally and exclusively to serving the navy--I cannot neglect this opportunity to share a few thoughts with you. I am firmly convinced that our people will prove very capable of choosing their leaders, but the youngest voters, who will be exercising the sacred right to vote for the first time, and with the patriotism and idealism that are natural to youth, must be alerted to the fact that some people, having benefited from an amnesty inspired by the most noble

intentions to achieve national pacification, are now presenting themselves as accusers, imbued with a deplorable spirit of revanchism and making promises to save the fatherland. For that purpose, they are resorting to the cheapest demagoguery, although when they were in power, they brought our Brazil to the dark and calamitous days that preceded March 1964, a time when they were openly advocating and practicing disorder as a means of achieving their spurious objectives.

Comrades in the air force,

Representing the fatherland's gratitude to those who have always done their duty and held our flag high, we bring you on this day our sincerest greetings.

Praying that God through his blessings will continue to illuminate your glorious paths, we publicly express the certainty of our fraternity and of optimism in the future of our fatherland, being sure, for that very reason, that the sacrifices of those who forged the mettle of our airmen were not in vain.

Hail to the Brazilian Air Force.

Thank you.

"The People Will Know How To Respond"

Here is the complete text of the speech of thanks addressed to the navy and army by Minister of Air Delio Jardim dos Mattos.

The moment is political, and politics means participation.

The Brazil of the ballot box is a Brazil rediscovering its vocation for freedom.

This is not a rediscovery with the pseudofreedom of the unreasonable, which is an instrument of chaos and anarchy, but one with the responsible and mature freedom of democrats, which is even capable of living together, without fear or animosity, with liberals who are liberals out of expediency, repentant terrorists, self-seeking radicals, selfish intellectuals, and all kinds of misinformed and unrealistic people.

A democracy's greatest weakness resides in what seems to be its strong point: the philosophical scope of the concept of freedom. The fact is that man is much more lavish in demanding his rights than he is in doing his duty, and that characteristic almost always destroys the balance between freedom and responsibility.

The moment is political, and politics means participation.

It is a mistake to think that those currently lining up votes in their guise as victims of the revolution have contributed in any way to the country's political improvement. The inventors of the unsuccessful trade-union republic are in fact an uncoordinated chorus that has been trying unsuccessfully for

many decades to present a utopian harmonization of the Socialist Internationale with the national anthem. They are dissonant voices, they are following a different score, and they are playing out of tune except in the imaginations of the naive or those who have sold out.

To those strategic liberals--those temporary democrats and those who are essentially radicals--the Brazilian people will know how to give the proper response on 15 November.

Mr Minister,

The Ministry of Air expresses through you its gratitude for the tribute now being paid to us by our comrades in the navy and army as we commemorate Air Force Day.

May this picture of union and solidarity be the image of the greater unity among all Brazilians.

Comrades of the navy and army,

"The price of freedom is eternal vigilance."

Brazilians, we have confidence in you.

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## SMUGGLED WEAPONS DISCOVERED AT RIO DE JANEIRO AIRPORT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Oct 82 p 14

[Excerpt] Rio de Janeiro--The Rio de Janeiro Federal Police have promised to identify within the next few hours the passengers who abandoned six trunks full of sophisticated weapons in the customs shed at Galeao Airport. The luggage still carries tags from Miami Airport in Florida, where its owners boarded VARIG Flight 811 for Brazil on Wednesday.

The seized contraband--submachineguns, automatic rifles, revolvers and pistols of Italian, American, German and Spanish make--was not videotaped by the closed-circuit TV cameras even though the Federal Revenue Office had received a tip that Flight 811 was carrying contraband weapons.

Inspector Emerson Sodre Mendes, who is also chief of customs at Galeao Airport, was the one who received the tip. He explained that he paid no great attention to it because such anonymous tips are common. "I did not believe it because people are always calling here and trying to divert our attention to a certain flight so that they can bring in contraband on another flight that we will not be watching as carefully," he said. "I have headed this section for 2 years, and this is the first case involving smuggled weapons."

But Sodre could not explain why the closed-circuit TV under his administration did not record the landing, including the baggage. Jairo Kullman, chief of the Maritime, Air, and Frontier Police of the Federal Police, declined to say anything. It is known, however, that the investigation is being headed by Paulo Fernando da Costa Barbosa, head of the Treasury Police, who sent a telex to Miami requesting information about the passengers who shipped the six trunks. He now has the list of 172 passengers, 83 of whom got off at Galeao Airport.

## Weapons

The seized weapons consist of six Smith and Wesson 357 Magnum revolvers, six Moss Berg APT-12GA rifles, five Remington Wingmaster 870 rifles, four SAP 9mm submachineguns, four SN380 submachineguns, four .22 caliber S American pocket revolvers, two S.W. 916 rifles, two Sterling Marck-2 .32 caliber pistols, two SW 9mm pistols, two Luger .22 revolvers, two Luger 9mm machineguns, one unassembled HW91 .308 caliber rifle, one Colt's Trooper Magnum pistol, one Colt's Python .357 Magnum long-barreled revolver, one Colt Government .45 pistol, and one Balelli Armi SPA B76 pistol.

The list also includes plastic gunstocks, two cans of Winchester powder, 200 .22 caliber bullets, five gun-cleaning kits, 4,000 CC350 Magnum Primer RS fuzes, repair kits, and individual parts for various models of pistols and revolvers.

## THIRD QUARTER PERFORMANCE DIMS HOPES FOR ECONOMIC RECOVERY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Oct 82 pp 42, 43

[Article by Antonio Carlos de Godoy: "External Restrictions Frustrate Recovery"]

[Text] The moderately improving trend of the Brazilian economy's performance apparently ran out of steam by the end of this year's third quarter, when the insupportable weight of external restrictions abruptly caved in on the productive system. The setback to expectations about this year's GDP [Gross Domestic Product] began in July but reached its peak during early September at the International Monetary Fund's annual meeting in Toronto, under the impact of recent crises in Mexico, Argentina and various other debtor nations that have become insolvent.

The managers of the nation's economic policies received a clear message from bankers and the IMF: next year Brazil will not be able to get as much money from commercial banks as it has been borrowing in recent years.

The time has thus arrived for the painful adjustments that have been postponed since the first oil crisis in 1973 thanks to heavy foreign borrowing. The international financial market came to an abrupt halt during the week of the IMF meeting, causing a drastic reduction in the flow of foreign funds to the nation. Only \$761.6 million was borrowed abroad in September, about half the average for the preceding 8 months. This unexpected drop forced monetary authorities to perform complicated acrobatics to meet obligations and provide exchange reserves, the amount of which will be announced by the BC [Central Bank] only once every 3 months from now on. In August, reserves amounted to \$6.97 billion.

This new international financial situation forced the Brazilian Government to put into effect immediately a set of monetary measures for the purpose of restricting the economy's expansion and reducing imports. It became more urgent to improve the trade balance, affected by the drop in commodity prices, stagnation of international trade and closing of some of the nation's major markets, as well as protectionism in the industrialized countries (Brazil's trade surplus through September barely exceeded \$360 million).

The consequence of the monetary measures (increase of commercial banks' required reserves to 45 percent) was another increase in already-high domestic interest rates and a further squeeze on liquidity for business firms unable to borrow more money from the banks due to existing restrictions on credit expansion.

In the midst of such a climate of pessimism and uncertainty, September brought a moderate drop in unemployment and an inflation rate of 3.7 percent (71 percent for the year so far and 95.1 percent over the last 12 months). The lower rate of price increase, according to private-sector analysts, indicates the persistence of bottlenecks that precipitated the 1981 recession: balance-of-payments restrictions and excessively high interest rates. The worsening situation forced firms in competitive sectors to reduce prices or make smaller increases, unlike the behavior of oligopolistic sectors, which continued to raise prices at a rate greater than that of inflation.

During the July-September quarter industry continued to have high rates of idle capacity. The most severe problems were faced by the machinery and equipment sector, forced to lay off 3,500 employees during the quarter due to lack of orders. The automobile industry repeated its good performance of the previous quarter, with growth of about 8 percent. Of the 17 sectors surveyed, only 7 had an increase in production or sales.

Prospects for this last quarter are more favorable for the consumer-goods sectors, more influenced by the year-end holidays. But the future of the economy as a whole is very uncertain, due to restrictive monetary and fiscal policies, a high social cost for a country that must create 2 million jobs a year.

#### Automobile Industry

**Production:** This sector managed to repeat the good performance of the previous quarter, with growth of 7.8 percent in the July-through-September period. Although the rate of output recovery continued to be slow, the number of units produced has been increasing for four quarters. There were 219,889 vehicles produced, including 178,203 passenger vehicles, 25,741 light commercial vehicles and 15,945 heavy commercial vehicles.

The best performance was by light commercial vehicles, whose output increased 10.7 percent, and the worst was by heavy commercial vehicles, whose output dropped 0.2 percent. The passenger segment grew 8.2 percent.

Combined domestic sales of vehicles increased 8.8 percent. Only the heavy-commercial segment, off 13.1 percent, had declining sales.

**Exports:** The performance of foreign sales improved upon that of the previous quarter. There were 44,059 units exported in the third quarter, compared with 41,808 in the second, a 5.4 percent rate of expansion.

**Employment:** The number of persons employed in the automobile industry increased 1.1 percent in the quarter, reaching 107,251 persons, compared with 106,084 in the April-through-June period.

**Prospects:** Fourth quarter performance should be similar to that of the third, especially for alcohol-powered vehicles, which are favored by government incentives.

## Auto Parts

**Production:** Kept pace with the automobile industry's performance, an increase of about 8 percent in the quarter compared with the April-through-June quarter.

**Exports:** There was a shrinkage of foreign sales, due to problems in African and Latin American countries and to loss of the Brazilian product's competitiveness resulting from appreciation of the cruzeiro in relation to European currencies and the yen. Difficulties in the U.S. automobile market also hurt Brazilian exports.

**Employment and Investment:** The employment level appeared to remain unchanged. Investment volume remained low, due to idle capacity and high interest rates.

**Favorable Factors and Problems:** Increased sales of automobile industry (compared with previous quarter); high interest rates, which had an adverse effect on domestic auto sales and raised production costs.

**Prospects:** It is believed that introduction of the 1983 models by the assemblers, payment of the Christmas bonus and the general climate of Christmas have a positive effect on sales. On the other hand, the climate of uncertainty in the economy and the increase of real prices of vehicles will have a negative effect on sales. Hence the expectation is that sales in this quarter will remain essentially the same as in the July-through-September period. Sources in the auto-parts sector expect higher financing costs for manufacturers due to the credit squeeze. Prices of inputs are expected to increase more rapidly than prices of finished parts, reducing profit margins. The same sources point out, however, that vehicle prices "have risen more rapidly than parts prices."

## Tires

**Production:** Unit production fell 8 percent in the quarter. Sales volume was off 12.9 percent compared with the previous quarter. Rubber consumption also fell (8.1 percent).

**Exports:** Increase of 16.8 percent over the number of units exported in the second quarter.

**Employment and Investments:** Employment fell 1.7 percent during the July-through-September period. There was no significant investment in the sector.

**Prospects:** A better performance is expected in the fourth quarter.

## Tractors

**Production:** All types of tractors had lower production in the quarter. The number of units produced (10,683) was 8.8 percent less than in the previous quarter. Sales fell 8.2 percent. The number of units manufactured in each category was: four-wheel tractors, 8,546; cultivators, 1,533; caterpillar tractors, 604.

**Exports:** There were 1,820 units sold abroad, compared with 1,140 in the previous quarter, a 59.6 percent increase for the July-through-September period. Sector



sources are complaining about import restrictions, now extended to the drawback system.

Employment: Increased 1.6 percent in the third quarter.

#### Electrical and Electronic Equipment

Production: Unchanged from second quarter of 1982 or third quarter of 1981. In the January-through-September period, sectoral volume was slightly greater than that of the same period last year. The impressive results in some segments of durable consumer goods during the first half of the year contributed to this performance (see table).

Exports: Declined 26 percent in the January-through-July period compared with the same period last year. This drop reflects serious difficulties faced by the sector's firms due to the worldwide recession and problems in several Latin American countries, traditional buyers of Brazilian products. If this situation continues, the goal set for this year (\$1.4 billion) will barely be met. In fact, the sector's exports could be less than those of last year.

Employment and Investment: Available estimates indicate that employment in the electronic sector as of 30 September 1982 increased 1.8 percent over that of 31 December 1981. According to FGV [Getulio Vargas Foundation] data, the volume of investment in the electrical and electronic sector will rise from 28.4 billion cruzeiros in 1981 to 39.3 billion cruzeiros in 1982, a nominal expansion of 38.4 percent.

Problems: Higher production costs resulting from continual price increases for raw materials and high financing costs; difficulty in obtaining funds in the credit market, major delays on the part of agencies of direct and indirect public administration; contraction of government investment (causing more idle capacity in the capital-goods area); protectionist measures of various countries, insufficient devaluation of the cruzeiro against the dollar; high international freight rates and gradual reduction of the export tax credit.

Prospects: Lower levels of activity in the sector.

#### Machinery and Equipment

Production: Physical production of machinery in Brazil declined 1.7 percent in the third quarter compared with the level for the previous quarter. Deflated industrial sales fell 1.5 percent in the July-through September period, compared with the second quarter.

Exports: The value of foreign sales in the first half declined 16 percent, compared with the same period last year.

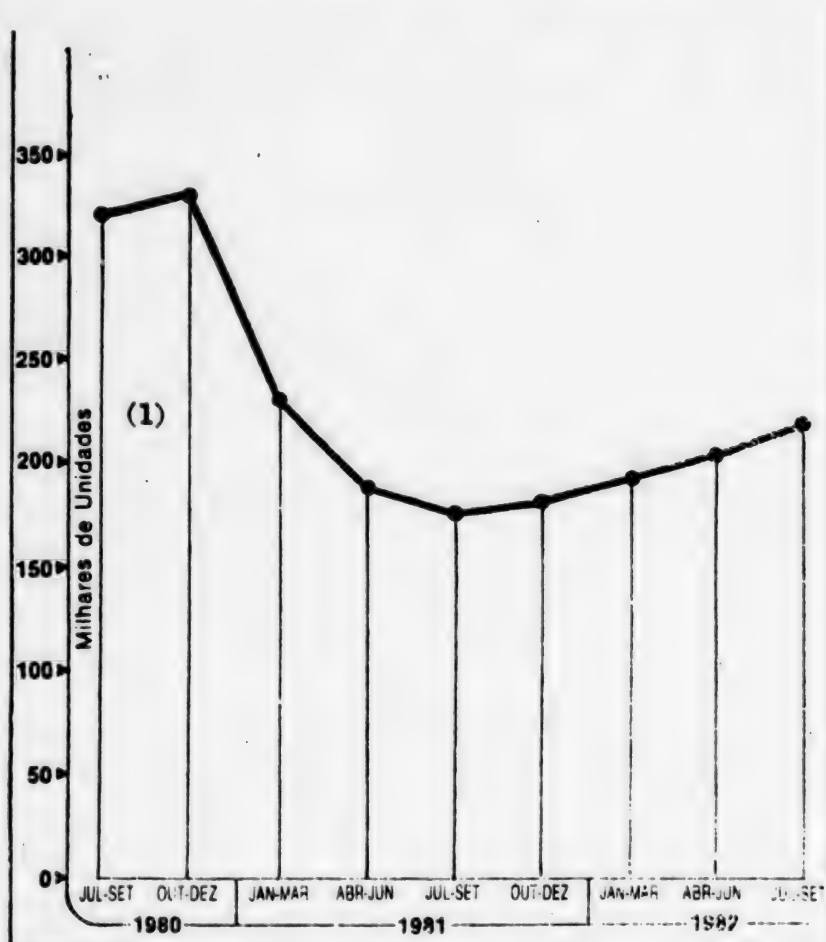
Employment and Investment: Employment fell 3 percent. In the state of Sao Paulo alone, 3,500 workers were laid off during this year's third quarter. Vacancies have not been filled.



# Recent Trends in Electrical and Electronic Sector

Subsectors	Third Quarter 1982 Compared with Third Quarter 1981	Third Quarter 1982 Compared with Second Quarter 1982	January-through-Sep- tember 1982 Compared with January-through- September 1981	Fourth Quarter 1982 Compared with Fourth Quarter 1981 (Forecast)
Antennas	Unchanged	- 20 percent	+20 percent	Slightly lower
Portable Household Appliances	+13 percent	+17 percent	+2 percent	Unchanged
Electronic Household Appliances	+20 percent	Unchanged	+12 percent	Somewhat higher
Electronic Components	Unchanged	+5 percent	-10 percent	Unchanged
Air Conditioners	-19 percent	+19 percent	-22 percent	-7 percent
Medium- and High-Tension Circuit Breakers	Output: -24 percent	Output: -8 percent	Output: -23 percent	Output: -14 percent
Power Equipment for Telecommunications ]	Orders: -50 percent	Orders: -50 percent	Orders: -50 percent	Orders: -50 percent
	Output: -15 percent	Output: -20 percent	Output: -20 percent	Output: -20 percent
Rotary Electrical Equip- ment for Vehicles	+5 percent	Unchanged	+5 percent	Unchanged
Electrical Hand Tools	+5 percent	Unchanged	+5 percent	Unchanged
Stoves, Ranges	+9 percent	+3 percent	+16 percent	-4 percent
Electric Motors:	(Orders:)	(Sales:)	(Sales:)	(Sales:)
Mass-produced	-30 percent	+4 percent	-17 percent	Unchanged
Made-to-Order	-40 percent	+2 percent	-18 percent	Unchanged
Electrical Panels:				
Orders:	-30 percent	+10 percent	-20 percent	-20 percent
Output:	-10 percent	Unchanged	-10 percent	-10 percent
Refrigerators	+1 percent	+6 percent	-6 percent	+14 percent
Transformers (Orders):				
Distribution type	Unchanged	Unchanged	-15 percent	Unchanged
Power type	-5 percent	-10 percent	-10 percent	-10 percent

# Production of Vehicles (Totals per Quarter)



Key:

1. Thousands of units

**Problems:** Shrinkage of the domestic market, which, according to machinery industry sources, results from consumers' lack of purchasing power--continues to hinder industrial performance. "As a result, they are sharply reducing investment in machinery." International trade problems have contributed toward reducing sectoral exports while, on the domestic level, high interest rates and corporate illiquidity lead to slowing down the machinery-producing sector.

**Prospects:** Will remain unfavorable during this final quarter of the year. High credit costs and a greater drain on funds to pay for wage increases and the Christmas bonus will limit investment even more, with adverse impact on the order backlog, which represented 25 weeks' production in the first quarter of this year and fell to 17 weeks in the third quarter.

## Railway Equipment

**Production:** Output during the third quarter was 356 freight cars, 50 passenger cars and 11 locomotives--not enough to substantially reduce the sector's high level of unused capacity, now about 80 percent.

**Exports:** There were 262 freight cars exported during the quarter (73 percent of the period's output), raising this year's foreign sales total to 386 cars.

**Employment and Investment:** The number of employees exclusively and directly involved in railway equipment production fell to 12,955 on 1 October, the lowest level in 2 years (the sector had 13,398 employees in June and 13,504 in March).

**Favorable Factors and Problems:** Shipment of freight cars sold to Peru and Mozambique and continued deliveries to the Rio Doce Valley Company. The most serious problems are in the locomotive segment, whose output has fallen to a new low (only one unit will be produced in October).

**Prospects:** If production forecasts for this year of 1,562 freight cars, 112 locomotives and 206 passenger cars are fulfilled, there will be a remainder of 867 freight cars, 61 passenger cars and 39 locomotives. According to industry sources, these figures raise expectations for a better performance in this last quarter. The sector's firms are more concerned about next year, due to the small order backlog.

## Foundry Castings

**Production:** Growth of 0.1 percent in the months of July and August, compared with May and June.

**Exports:** Increased 42.8 percent in tonnage and 40.4 percent in value during the July-August period, compared to the May-June period.

**Employment:** The sector's employment in August (65,589) was 2.5 percent less than that of May (67,301).

**Problems:** Despite increased exports, foundry output remained flat in the May-through-August period, although on average it was somewhat higher than during the worst months of recession. The sector's financial crisis continues, combined with a high rate of idle capacity caused by the difficulty of selling foundry products under current conditions of high rates of interest and inflation.

## Engineering

**Production:** The limited data available indicate there has been growth. Sales remain flat.

**Exports:** No change (backlog undiminished).

**Employment and Investment:** Employment expanded but investment contracted.

**Favorable Factors and Problems:** Continuation of the nuclear program aided the sector, affected adversely by the rescheduling of priority programs, which will be greatly delayed and incur higher costs. Clients, especially state enterprises, continue to pay very slowly, adding to the sector's high working-capital needs.

**Prospects:** Possibility of foreign sales, despite unfavorable current conditions.

#### Food Industry

**Production:** Practically the same as the previous quarter. Due to the complexity of this sector, available data are incomplete. The most reliable data are for the soybean complex, where production fell about 30 percent in the third quarter.

**Exports:** Affected adversely by the "closing" of Latin American markets, the country's best, and by lower commodity prices. The soybean complex was hurt by the sharp drop in international prices for its products.

**Problems:** Governmental delays in providing working capital loans for agriculture, which could cause supply problems for food industries.

**Employment:** There are indications of a moderate decline in the number of persons employed by the sector.

**Prospects:** Better demand, although with heavy financing costs for an industry with a pronounced seasonal cash flow. Some sectors expect a modest sales recovery for the end of this year.

#### Retail Trade

**Activity:** Existing indications suggest that retail trade in Greater Sao Paulo was similar to the preceding period, although it may have increased somewhat in the July-through-September period. Compared with the same period last year, quarterly sales were 5.2 percent higher, with billing for the January-through-September period of 1982 rising 3 percent, a rate that should be maintained for the year.

Sector sources comment that although these favorable changes may be construed as symptomatic of recovery, it must be stressed that in 1981 retail trade was very sluggish due to cyclical difficulties, casting doubt on the existence of real recovery. What in fact exists in Sao Paulo is stagnant sales at a level well below that shown by activity in 1980 and earlier.

There are a few exceptions to this performance, confined to footwear and supermarkets. The worst performances were those of the drug-and-perfume sector (down 7.8 percent), housewares (down 6.25 percent) and vehicle dealerships (off 5.98 percent).

High interest rates continued to inhibit inventory formation, raising the cost of goods sold, especially on the installment plan. This sector also suffered from the incentives for passbook savings, and especially from the substantial loss of purchasing power by the middle class.

The level of employment remained unchanged during the quarter, which means that the new hiring that usually occurs in the second half of the year has not taken place. Retailers are apprehensive about the effect that credit restrictions could have on Christmas sales.

## Banks

Activity: Demand deposits in commercial banks increased only 6 percent during the quarter. In real terms, they have been declining continuously. During the first 9 months of this year, their nominal growth was 20.8 percent, whereas inflation increased 71.1 percent; there was thus a real decline of 29.4 percent. This extremely poor performance resulted from restrictive monetary policy and high interest rates. Sources within the sector believe the performance of demand deposits will worsen due to Resolution No. 762, dated 14 September 1982, which ordered an increase in required reserves.

Monthly nominal rates of growth for the third quarter were -2.8 percent in July, 5.3 percent in August and 3.6 percent in September.

During the same period, time deposits in commercial banks increased 34.6 percent (total for this year reached 85.8 percent for a real expansion of 6.6 percent in the first 9 months). According to financial-area sources, "monetary authorities intended to slow down this growth of time deposits when they instituted Resolution 761, of 14 September 1982, which ordered collection of a 6-percent tax on the balance of such accounts."

Loans: Increased 14.2 percent in the July-through-September quarter. Expansion in the first 9 months of this year was 66.4 percent, or a contraction of 2.8 percent in real terms. This decline resulted mainly from a reduction in relending, both domestic and foreign (the latter was particularly weak during September). The monthly rates were: July, 6.7 percent; August, 4.6 percent; and September, 2.4 percent.

Liquidity: Liquidity loans had modest average daily balances compared with those of the early months of the year. The September balance, for example, was 45 percent of January's and 31 percent of March's. This greater liquidity, however, is a reflection of the restrictions imposed on the banking sector.

Problems: According to a source in the financial area, the banks are operating in an insecure setting, with important sectors of the economy already showing the effects of an indisguisable crisis and with a sharply restrictive monetary policy. For that reason, since the middle of the year banks have had a substantially less distinguished performance, which undoubtedly will be reflected in their earnings.

Banking officials are concerned about the negative impact on the sector of the following measures:

- Broader range of compulsory loans (including contingency loans), with a new category of rural credit, required of investment banks as well as commercial banks;
- Prohibition of financing transactions with corporations;



--Imposition of limits (5 percent for commercial banks and 15 percent for investment banks) on investments in debentures;

--Increase of compulsory deposit on demand deposits and imposition of this ruling on time deposits;

--Higher credit risks, due to worsening climate of business depression.

Employment and Investment: Employment in the sector has favorable signs: a sample of six large conglomerates shows an increase of 4 percent in the May-through-August period and 8.2 percent since the beginning of the year. Investments continue "at a strong pace" in remodeling and establishment of branch offices and in equipment for banking automation.

Prospects: Predictions are not favorable, as the possibility of new requirements for credit uses cannot be excluded, "despite the excessive state interventionism that characterizes the nation's financial system."

#### Real Estate

Production: Available data are incomplete. However, according to well-informed sources in the sector, production of new units remains flat. Forty percent of finished units have been sold, but there was a declining trend in September, according to reports from a major firm in the sector.

Favorable Factors and Problems: The only favorable factors in the third quarter were the increase in the ceiling price to 2,700 UPCs [Standard Units of Capital] and the expectation of financing for used properties. The shortage of credit, inflation and the middle-class salary squeeze affect the sector's performance adversely.

Prospects: The sector's employment is expected to decline in coming months; in view of financing difficulties, forecasts for this fourth quarter are not favorable.

#### Highway Transport

Activity: There are no precise indicators available. Some trends, however, were evident in the third quarter:

--The physical volume transported remained unchanged, as occurred throughout the year (except for January and February), due to the good agricultural crops;

--The sector's profitability, however, has declined, due to the difficulty of passing huge cost increases along to customers. According to sector sources, published freight rates are being discounted by as much as 50 percent.

Employment and Investment: Despite the lack of data, it is known that truckers are laying off permanent personnel and hiring employees by the day without recording it on working papers, "transforming the sector into one of the nation's major strongholds of underemployment." This practice, sources say, is more prevalent among less organized truckers, "responsible for the deterioration of freight rates and forced to transfer their costs to self-employed truckers and their employees."

A good indicator of the level of the highway-transport sector's investment is truck sales, which fell from 4,447 units in May to 4,048 in July. If this level holds up, the trucking sector as a whole (trucking firms, self-employed truckers and private haulers) will absorb 48,576 trucks (light, medium-weight and heavy) through the end of this year, compared with 69,183 in 1981 and 97,938 in 1980. "Not many truckers are buying trucks. Mainly because prices, which have been raised 10 times this year, are constantly rising and adequate financing is not available." In view of these problems, the average age of the nation's truck fleet is 6.8 years.

A growing trend is the increasing share of (more efficient) heavy and semi-heavy trucks in sales. These two categories now represent over 40 percent of sales, compared with less than 30 percent 2 years ago. The difficulties in renewing the fleet are likely to increase due to the prohibition against granting consumer credit to corporations. For this reason, the sector is calling for a source of financing specifically for trucks, at favorable interest rates. "Heavy vehicles are production goods and cannot afford the same interest rates as refrigerators and television sets."

Problems: Huge cost increases between 20 April and 6 August (tires, 35.38 percent; truck bodies, 38.63 percent; parts and accessories, 26.93 percent; vehicles, 24.38 percent; lubricants, 30 percent; and insurance, 25.85 percent). The latest increase in diesel fuel, on 16 September, came less than 1 month after the previous rate increase, which prevented its being passed on to customers immediately.

The third quarter witnessed a continuation of the self-employed trucker's decline and the private hauler's advance. The number of cargo vehicles registered by the DNER [National Highway Department] increased 2 percent between April and July, but the self-employed category increased only 1.4 percent. The individual trucker now owns only 26.6 percent of the nation's fleet, compared with 70 percent in 1974, and private hauling now represents 46.8 percent of the fleet, compared with 17.1 percent in 1974.

Prospects: Forecasts for this last quarter are good. There will be an increase of trade, especially from Sao Paulo to other regions because of Christmas. "But a huge drop is expected in the first quarter of next year, when the impact of restrictive measures taken by the government will be felt."

#### Fertilizers

Production: Output and sales increased about 50 percent in the third quarter, due to the sector's decidedly seasonal cycle.

Exports: Hardly any, except for negligible exchange with Uruguay and Paraguay.

Employment and Investment: The number of persons employed by the sector increased temporarily to meet the needs of the major selling period. Investments continued only in projects already underway with committed funds. Postponement of announced projects; not much additional commitments. No new projects.

Favorable Factors and Problems: Approach of the spring buying season; regulation by the BC of distribution by cooperatives; beginning of agricultural credits;

winter rains favorable for perennial crops, pastures and soil preparation. Unfavorable factors include postponement of borrowing by farmers, which portends another drop in actual consumption; uncertainty about minimum prices for 1983, as they will depend upon the rate of inflation; VBC [Basic Operating Costs] below real costs; insufficient rural credit for large and medium-sized producers; excessive rain in South, with damage to wheat.

Prospects: The same as for the third quarter, in keeping with the sector's traditional cycle.

#### Agriculture and Livestock

The third quarter was something of a problem for the sector in regard to obtaining funds for the next crop year. The government decided to make working-capital credit available to large and medium-sized producers at annual interest of 12 percent plus full monetary correction, which greatly increased the cost of money. As they were given no assurance that prices would be commensurate at harvest time, many farmers have announced their intention to reduce their planted area in the 1982-83 crop year.

As is known, both Basic Operating Costs and Guaranteed Minimum Prices were raised less than the rate of inflation. This means that the prospect of a good crop year may not indeed be fulfilled, although the government forecasts indicate that reduced planting will not be significant. Perhaps economic authorities are betting on a greater demand of credit for investment, causing productivity to increase enough to lower costs, which are now very high. Nearly all agricultural-input industries have faced sales difficulties since January due to the low remuneration perceived by farmers generally.

Manufacturers of harvesting tractors expect a sharp drop (about 30 percent) in sales of their products and fertilizer manufacturers expect only to equal last year's results. This situation reflects the as-yet insignificant degree of mechanization of most crop and livestock producers at a time when banks are delaying longer than usual in providing funds, the relative amount of which has been declining.

As for the sale of crop and livestock output, the government continues to be the major buyer of the current crop, building stockpiles with the intention of combating inflation. However, deficiencies in storage and transportation facilities were forcing producers to sell at reduced prices or, at best, to the government itself at the minimum prices, which are not sufficient to cover production costs.

The agriculture and livestock sector remains at the mercy of low prices on the international market, which show no signs of recovery in the short run. With that in mind, prices to be received by producers in the next crop year will certainly be low. The only real advantage will consist of a probable diversification of crops in some states where a certain trend toward monoculture has been predominating. Soybeans may yield their position to corn or sugarcane in Sao Paulo, and the same thing may happen with wheat in Rio Grande do Sul, where a reduction in planted area is taken for granted, mainly because of climatic problems.

Despite these problems, the next crop will probably be satisfactory, as farmers must go on planting, if only to pay off the debts incurred in prior years, instead of being rewarded with profits commensurate with their risks.

#### Advertising

Billing: Indecisive data. Some agencies had increases, while others had 10 to 16 percent less billing during the quarter.

Employment and Investment: There are indications of a small reduction of employment in the sector. Apparently no significant investments were made.

Prospects: Some agencies expect a significant improvement in billing during this last quarter of the year, but others are worried about the worsening situation of the international and national economy.

8834

CSO: 3342/20



## DECLINING EXPORTS RESULT IN DISAPPOINTING TRADE BALANCE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Nov 82 p 28

## October Surplus Below Expectations

[Text] The \$56 million surplus shown by the balance of trade figures for last month disappointed Minister of Finance Ernane Galveas and the secretary general of the ministry, Carlos Viacava. They expected a minimum figure of \$100 million. With this figure, the result of exports which were 24 percent below those of October last year--\$1,604,000,000 compared to \$2,112,000,000--and with imports of \$1,548,000,000, the positive balance of trade accounts from January to October of this year increases to \$417 million, compared to \$629 million in the same 10 months last year.

In October 1981 Brazil recorded a surplus of \$408 million, the greatest positive monthly result in the last 2 years. In 12 months, the surplus fell from \$1,333,000,000 by September to \$989 million last month. In December, the minister of finance expects a surplus of at least \$500 million.

The figures were revealed by Viacava and Galveas, who said they are the result of the "fierce struggle" the government has been facing as a result of the retraction of markets and the decline in prices of its exports. From January to October, exports showed a decline greater than that of imports. In the first 10 months of this year, Brazil exported only \$16,708,000,000, a sum 12.6 percent lower than the \$19,114,000,000 sold during the same 10 months last year. In the same period, national expenditures on purchases abroad declined 11.9 percent. From January to October last year, Brazil had imported \$18,485,000,000 and this year it purchased \$16,291,000,000 on the foreign market. Of this total, \$8,052,000,000 was spent on petroleum, purchases of which declined 8.3 percent by comparison with the \$8,784,000,000 imported from January to October last year. Imports of other products declined 15.1 percent.

## Value

Galveas and Viacava expect the cuts in imports instituted as of 25 September will produce more results this month and in December than those obtained last month. "The decline observed in October was already the consequence of import restriction, however, we shall only feel the results of the halt in imports with more intensity in November and December," declared Galveas, observing, however, that in number of items the sum is large but in value it is not so significant.



EXPORTAÇÃO (1) (US\$ MILHÕES)						
Período (2)			Variações (3)			
4) Especificação	Out-82 (5)	Out-81 (6)	Absoluta % (7)			
Total	1.604	2.112	-508	-24,0		
Café	178	147	31	21,1		
(8) Outros	1.426	1.965	-539	-27,4		
Jan/Out-82		Jan/Out-81		Variações Absoluta %		
Total	16.708	19.114	-2.406	-12,6		
Café	1.714	1.489	225	15,1		
Outros	14.994	17.625	-2.631	-14,9		
(9) IMPORTAÇÃO						
Período Especificação			Variações			
Out-82		Out-81	Absoluta %			
Total	1.548	1.704	-156	-9,2		
Petróleo	788	856	-68	-7,9		
Outros	760	848	-88	-10,4		
Jan/out - 82		Jan/out-81	Variações Absoluta			
Total	16.291	18.485	-2.194	-11,9		
Petróleo	8.052	8.784	-732	-8,3		
Outros	8.239	9.701	-1.462	-15,1		
Balança comercial (10)			Set	254	220	273
Evolução do Superávit Acumulado			Out	400	620	757
Data (11)			Nov	361	981	1.052
no mês (12)			Dez	211	1.192	1.192
Até o mês (13)			(+)82- Jan	54	54	1.379
últimos 12 meses (14)			Fev	29	83	1.566
1981 - Jan			Mar	71	154	1.767
Fev			Abr	22	176	1.845
Mar			Mai	47	223	1.881
Abr			Jun	32	255	1.759
Mai			Jul	5	260	1.673
Jun			Ago	51	311	1.537
Jul			Set	50	361	1.333
Ago			Out	56	417	989
			Nov			
			Dez			

Key:

- |                             |   |
|-----------------------------|---|
| 1. Exports in millions U.S. | 8. Others   |
| 2. Period                   | 9. Imports  |
| 3. Changes                  | 10. Trade balance, changes in accumulated surplus |
| 4. Category                 | 11. Date  |
| 5. Oct-82                   | 12. In the month                                  |
| 6. Oct-81                   | 13. Up to the month                               |
| 7. Absolute and percentage  | 14. Last 12 months                                |

The minister of finance also indicated that the decline in exports, which excluding coffee declined 27.4 percent, is not only a result of the international financial crisis. "It is a combination of factors: reduced, difficult markets, decline in prices and financial difficulties of the Latin American trade partners above all," declared the minister. Viacava even showed a chart with figures from January to August in which exports to Argentina, Nigeria, Mexico, Chile, Poland, Paraguay, Uruguay and Bolivia declined 51 percent by comparison with the same 8 months last year.

In the attempt to regain those markets and make more sales than in past months, the minister of finance said the government and businessmen are waging an actual "hand to hand" combat. According to him, all possible ways that may be suggested for increasing exports will be tried. "We are identifying the countries where there was a decline; seeking the exporters who had their sales reduced; confirming which products were affected so as to unleash a campaign of stimulation to those exports," said the minister, emphasizing: "We do not export more because there is no market and not because of a lack of incentive."

#### January-September Exports Down

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Nov 82 p 38

[Text] Brazilian exports checked in the January to September 1982 period, continue to indicate a significant decline compared to the same period last year. Of the 161 most significant products checked, 120 suffered a decline in sales, while only 41 had an increase, according to figures provided yesterday in Rio by the Foreign Trade Department (CACEX) of the Bank of Brazil.

With respect to basic products, the decline in the first 9 months of 1982 was in 26 items, while 19 items declined in the semimanufactured list. The largest decline was noted in manufactured items which had a decline in sales in 75 products, with increases in only 22 products.

CACEX explained that the reduction in purchases by some of the main trading partners of Brazil, due mainly to difficulties in their balance of trade, has been significantly affecting the increase and even the maintenance of national exports at 1981 levels. Overall, still according to CACEX, the most unfavorable situation involves the majority of the countries in the Latin American Integration Association [LAIA], where the placement of Brazilian merchandise showed a decline of around \$900 million in the last 9 months of this year, when the 10 countries of the economic bloc are taken into consideration. Figuring exports to Argentina, Bolivia, Chile, Mexico, Paraguay and Uruguay, losses in convertible foreign exchange exceed \$1 billion, a significant amount because of the fact that those countries are traditional importers of manufactured products.

#### Basics

Still according to CACEX, Brazilian exports of basic products from January to September of this year showed a small improvement in their growth by comparison with the January-August 1982 period, going from -10.3 percent (\$631 million) to -8.77 percent (\$598 million), all this compared with the same period in 1981.

With respect to semimanufactured products, CACEX said they were the ones which most felt the results of the trends in the international market, showing the largest reduction in revenues in relative values (-31.26 percent) among the overall factors. Even so, those products crossed the barrier of \$1 billion, representing 12.62 percent of manufactured goods and 7.26 of the general total.

After analyzing manufactured products, CACEX added that in the first 9 months of the year they were below 1981 levels by 9.86 percent, showing a decline of \$831 million (the largest among overall factors) if the total of their foreign sales in the period mentioned (\$7,595,000,000) were compared with the same period in 1981 (\$8,426,000,000).

8908

CSO: 3342/25

## IMPORT REDUCTIONS DO NOT BRING RECESSION, SAYS NETTO

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Nov 82 p 37

[Article by Milano Lopes: "Cuts Do not Bring Recession, Says Delfim"]

[Text] The nonferrous iron and steel and petrochemical sectors will function at full capacity in 1983, regardless of the domestic market and export capabilities, because it is the intention of the government to impose such restrictions on imports as are required to straighten out foreign accounts without launching the country into a recession. The decision was adopted in meetings held last week and early this week by the ministers of the economic area and announced by Minister of Planning Delfim Netto in an exclusive interview granted yesterday to O ESTADO and JORNAL DA TARDE.

Already in the final phase of preparation by the entities representative of the various industrial sectors, are the lists of the products whose imports will be replaced by domestic production, with broad financing by the government through a special line of credit to be opened by the National Economic Development Banks [BNDE], which includes credit for investments. Since imports will be suspended as of January, orientation is that domestic production should be initiated immediately.

The minister of planning is ready to prove to whomever wants to listen that it is perfectly possible to "cut" \$3 billion to \$4 billion worth of imports without provoking a new recessive process. According to him, the reduction of \$1.1 billion in petroleum imports will be compensated for by domestic production of petroleum and alcohol and by a program of rationalization of consumption, encouraging substitution for petroleum-based energy within the industrial area.

He said the forecast by PETROBRAS [Brazilian Petroleum Corporation] President Shigeaki Ueki, which is considered conservative, that domestic petroleum production will reach 400,000 by the end of next year and the decision by the government of providing new incentives to PROALCOOL [National Alcohol Program], insure a reduction in petroleum purchases without trauma to the economy and without resorting to such measures as rationing.

The \$800 million "cut" in imports by state companies is not dramatic and, according to Delfim, will be absorbed by the significant reduction in the costs of Itaipu and Tururui and from the slow-down in the nuclear program. Similarly, the \$500 million or \$600 million in imports to be saved in the mechanical and

chemical area, will be compensated for by domestic production, which will be given incentives by the government.

Delfim admits that such a process "will produce some inflationary pressure," however, the most important thing is that it creates revenue and contributes to increasing the Gross Domestic Product instead of decreasing it. For that reason, the minister ridicules some analyses which indicate an inevitable recession as a result of the "cut" in imports, saying: "Generally, econometric models only deal with that which is fed them," adding that "they were made to be refuted."

According to Delfim, the greatest fallacy is that of establishing an econometric model as a fixed "function" and believe that nothing is going to happen. "Actually," he commented, "in economic text books functions; are usually stable and the government only intervenes in the last chapter and only in a minor role." He added: "It happens that when the government intervenes it always complicates things, like now, when the economists who fill the newspapers believe that \$4 billion will be cut in imports and nothing will happen except a recession."

The minister complains: "Unfortunately, the national problem is with Aristotle, although up to next 15 November (date of elections) he is being replaced by sophists." Delfim says: "It is difficult to utter philosophy in Portuguese, particularly using the economy as working material."

Giving no operational details on the utilization of productive capability at full output by the industrial sectors of the nonferrous iron and steel and petrochemical industries, Delfim said he held a meeting the day before yesterday with SIDERBRAS [Brazilian Iron and Steel Corporation], the Vale do Rio Doce Company and INTERBRAS [PETROBRAS International Trade, Inc] to detail the iron and steel production program in 1983 and the strategy for placing that production on the domestic and foreign markets.

With respect to nonferrous production, he said that every effort shall be made to insure the export of 100,000 tons of aluminum next year, which completely changes the aspect of a country which 2 years ago was importing that item.

#### Foreign Accounts

Delfim was even more caustic when he commented on articles appearing in the press which tell of an imminent appeal by Brazil to the IMF so as to pay off its foreign accounts during the current year. "I find that speculation even reasonable," he says, "but what bothers me is that the persons who speculate have a minimum of information and understand little about what they are talking about. When they are right it is for other reasons."

The minister reiterates that the market continues sluggish and "will never be the same as before, not only for Brazil but for all the countries which borrow money." He asserts that the country continues to take money "wherever it is found," but has not yet decided to resort to the IMF. He emphasizes: "The same neurosis was evident at the end of 1980 for 1981 and nothing happened. Today, with more emphasis because of the political-electoral component, the subject returns stronger than before, but for the time being it remains wishful thinking," said the minister.



As to the meeting of Central Bank President Carlos Langoni with IMF Director-General Jacques de la Rosiere, Delfim says: "Contacts with the IMF always take place when an official goes to Washington. I, myself, pass by there when I have a chance." As far as the minister is concerned, the trips by the Central Bank president to the United States last week and now to Europe, are also justified by the fact that everyone knows that 1983 will be difficult. Brazil opted for a more rapid strategy of adjustment and that schedule has to be taken to the market to win its confidence. That is, therefore, the task of Langoni.

#### Bridge-Loan

Delfim believes that "All that uproar about the 'bridge-loans' being taken from American and European banks is caused by the fact that no one knows what is happening and they begin to talk foolishness." He explained that a bridge-loan is nothing more than an advance of a financial loan granted by a bank to Brazil, a loan which will be in the country within 2 or 3 months.

This advance is made by the same bank which granted the loan in such a way that it is paid off when the main body of the loan enters the country. "Thus," he explained, "If ELETROBRAS [Brazilian Electric Power Companies, Inc] obtains a financial credit of \$200 million, which will enter the country in 90 days, it obtains an advance of \$100 million from the lending bank, a bridge-loan which is actually an advance."

Delfim denies that the bridge-loans, "which are being granted to Brazil because the country has credit in the market," are placing pressure on the short-term debt, "which is something else." Therefore, in his opinion, that debt, which recently was judged to be \$8 billion, "is growing normally, as has always happened."

At the end of September, when \$700 million were received, there still remained \$3.6 billion to even out the balance of payments, which averaged \$1.2 billion for the months of October, November and December. In October, receipts were nearly \$1 billion and the rate foreseen continued in November. Joking, he says "We need to raise \$3 million per hour, and since we have been talking here for 40 minutes, I can assure you that we have already taken in \$2 million."

Apparently the minister of planning shows no concern about obtaining those resources, reiterating: "We continue searching and wherever there are resources available, we shall go look for them," not even discarding the possibility of resorting to the Bank for International Settlement [BIS], the bank for international compensations of the United States, Japan and Canada located in Basel, which is on the itinerary of visits by Langoni.

#### Reserves

Delfim prefers not to be explicit with respect to the status of reserves, although he admits that there will inevitably have to be a "burning" to even up the balance of payments this year. However, he explains that the sum to be used will only be made known at the time of closing the account and after the resources, which are being "implacably hunted" in the market, have been collected.

However, Delfim declares that the fiscal year will end with a comfortable situation in reserves, whose last amount, revealed last August, was \$6,970,000,000. The minister did not wish to express an opinion on whether the reserves would be higher or lower at the end of the fiscal year than the limit of 3 months of imports--nearly \$4.5 billion--according to some official forecasts.

According to the minister of planning, only a total lack of knowledge on the subject would justify the publication by the press of reports about "negative reserves," something which to him is "truly absurd," imagined "by some uniformed writers to sustain the picture of disaster of undeniable political effect and which has nothing to do with the country."

Delfim Netto also added that reports that the Bank of Brazil has become the largest creditor of Brazil and for that reason the foreign debt cannot be renegotiated without the Bank of Brazil going bankrupt, is the result of that "generalized misinformation." According to Delfim, the Bank of Brazil obtains funds abroad and lends to Brazil and other countries, exactly as is done by the French, American, German and other banks, "There being nothing wrong with that."

8908

CSO: 3342/25

## CONTINUED RECOVERY IN INDUSTRIAL PRODUCTION NOTED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Nov 82 p 40

[Text] Industrial production continues to show a recovery by comparison with the recessive period of last year, when the decline reached a limit of 14 percent. Now the decline is at -0.62 percent in the period January to September 1982, compared to the identical period of 1981, and at -5.18 percent in the 12 months up to last September.

The IBGE [Brazilian Institute of Geography and Statistics] Foundation declares in its periodic indicators, however, that September production this year increased 5.6 percent by comparison with that of September 1981. The general industrial production indicator results from an increase of 7.99 percent in the mineral extractive industry and from a decline of -5.56 percent in the transformation industry, according to the IBGE.

Between the months of August and September of this year, the accumulated indicator of the transformation industry increased 0.69 percent, going from 98.42 percent to 99.11 percent. Of the industrial sectors surveyed, 11 showed that same trend. Of particular importance for the increase in the overall rate in the transformation industry between those two periods (August and September) was the behavior of two items: Metallurgy (the decline changed from -2.61 percent to -1.29 percent) and transportation materials (from -0.9 percent to -.92 percent). The following products were outstanding in these areas: reels and hot-rolled plates, shaped iron and steel items and automobile and pickup parts. By categories of use, the durable consumer goods sector showed the largest increase, registering an increase of 4.2 percent from January to September, while the production of nondurable consumer goods remained slightly higher than during the same period of the previous year (+0.77 percent).

Production of intermediate goods shows a slight decline (-0.07 percent) and, finally, the largest decline in all industrial sectors (-12.74 percent) is observed in the capital goods sector, where declines in production of the following items is prominent: trucks (-43.21 percent), self-propelled machinery (-24.36 percent) and machinetools (-28.70 percent).

At the level of the industrial branches surveyed by the IBGE, a recovery is noted in all those which make up the transformation industry, with the exception of the tobacco industry. Six industrial products, other than mineral extractive (7.99 percent), show a positive annual rate. They are: Clothing (2.74 percent), paper (1.87 percent), textiles (0.32 percent), chemicals (0.24 percent) and plastic materials (0.12 percent).

Produção Física (1)						
(2) INDICADOR ACUMULADO		12 (3)		INDICADORES MENSAIS (4)		
	JAN - SET	MESES DE SETEMBRO-82				
Setores e (5)		até (6)	média. (7)	média.	setembro	agosto
cat. de uso		setembro	75-100	81-100	81-100	82-00
Indicador geral (8)	99,38	94,82	135,57	105,38	105,60	96,78.
Extr. mineral (9)	108,84	107,99	137,73	106,49	110,35	94,16.
Ind. transformação (10)	99,11	94,44	135,40	105,35	105,45	96,87.
Bens de capital (11)	87,26	80,83	105,81	97,04	109,39	94,68.
Bens intermediários (12)	99,93	95,08	147,88	108,80	106,85	97,57.
Bens de consumo (13)	101,29	97,72	129,17	102,86	103,94	96,56.
Durável (14)	104,20	90,39	131,28	112,96	113,44	95,69.
Não durável (15)	100,77	99,02	127,87	101,08	102,23	96,73.

Key:

- |                                     |                             |
|-------------------------------------|-----------------------------|
| 1. Material production              | 8. General indicator        |
| 2. Accumulated indicator Jan-Sept.  | 9. Mineral extraction       |
| 3. 12 months                        | 10. Transformation industry |
| 4. Monthly indicators from Sept.-82 | 11. Capital goods           |
| 5. Sectors and category of use      | 12. Intermediate goods      |
| 6. Up to September                  | 13. Consumer goods          |
| 7. Average                          | 14. Durable                 |
|                                     | 15. Nondurable              |

8908

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## LACK OF FUNDS THREATENS ANTARCTIC EXPEDITION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Nov 82 p 5

[Text] Without the money to pay for even the special cold-weather clothing ordered from national suppliers and without vital parts that would enable the oceanographic ship "Professor Besnard" to depart, Brazilian scientists involved in the so-called "Operation Antarctic" run the serious risk of facing a vexing situation with respect to their colleagues from four countries with whom they will participate in a joint study program on the Antarctic Continent.

The money needed for the basic items for the voyage, 80 million cruzeiros, was promised some time ago but has not up to now been released by Governor Jose Maria Marin, a problem which the researchers of the University of Sao Paulo [USP] Oceanographic Institute admit has caused them "anguish."

Discouraged, one of them declared yesterday: "I have already climbed and descended from the hill several times to no avail." Yesterday the chief of the civilian household, Calim Eid, confirmed that the request for funds is pigeon-holed because it was not sent up by the University of Sao Paulo rector but by the Oceanographic Institute. Yoshimini Ikeda, chief of the Department of Physical Oceanography of the Institute and coordinator-general of "Project Antarctic," as the program is known in the USP, spoke about the money they need so badly: "Those 80 million cruzeiros we expect will barely be enough to buy the necessary minimums for the expedition this year. Anything lacking would have to be purchased in 1983 if we want to participate in the joint program (involving Poland, West Germany, Chile and Argentina). And the bothersome situation is that the fifth member, Brazil, in addition to never having been in the Antarctic, is having difficulties in taking its researchers to that continent, which they have only known through slides.

The navy icebreaker "Barao de Teffe" and the "Professor Besnard" should depart in December. In case it cannot leave, the "Professor Besnard" runs the risk of not being able to participate in the operation next year either.

The funds promised by Governor Jose Maria Marin have already been completely allocated. Between 30 and 40 million cruzeiros will be spent on the ship. One of the largest purchases will be a new navigation system, the "Omega," which will function together with the system installed on the "Professor Besnard" 10 years ago. The Omega system receives the transmissions of fixed radio stations



located on the South American and African Continents. It allows accurate and continuous guidance for the ship. There are also expenditures for a large number of items for the ship, which range from gyroscope indicator needles to spare parts for the engine room.

The "Professor Besnard" has already been checked and refitted for the voyage. Thirty million cruzeiros previously received were spent on this.

However, from the new funds (the 80 million cruzeiros) must also come the sums for purchasing diverse scientific equipment. Among priority items are these two: An echo-sound device for acoustical prospecting and an instrument called the "XBT." The first, which is Norwegian, costs nearly 10 million cruzeiros and is for making "a survey of the biomass" existing in Antarctic waters. This means a survey of all organic matter, every living thing. The XBT is already serving for tracing a profile of water temperatures at each depth level.

"Without that equipment it is not worth going," said Professor Ikeda.

However, it will be necessary to spend another 8 or 9 million cruzeiros for a biology laboratory equipment, including optical instruments, as well as special nets for catching fish, eggs, larva and krill--a crustacean very much like shrimp, which is of great interest in the scheduled research.

The expedition to the Antarctic will actually begin from Ushuaia on the Argentine side of Beagle Channel, from which the ships will leave on 8 January. Destination is Bransfield Strait. However, the "Professor Besnard" will return to Ushuaia and leave again with a new team of 13 scientists. The end of the expedition is scheduled for 20 February at Punta Arenas in Chile, from where the return will be made to Santos.

Expeditions to the Antarctic are only possible during the summer. For that reason, in a meeting held in Germany, the members of a special program, "Biomass Technical Group," scheduled the joint expedition by Brazil and the four other countries for the summer of 1983-84. The following year there will be another expedition with scientists from the same countries and also from England.

However, in order to participate in the programs, according to Professor Ikeda, it is necessary to have experience: "That we accomplish only one half or less of our program of the voyage to the Antarctic is not important, however, it is necessary that we go there."

8908

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## LEFTIST DEPUTY: MONGE SOLD OUT COUNTRY

PA100246 San Jose Radio Reloj in Spanish 0100 GMT 9 Nov 82

[Text] Arnolando Ferreto Segura, deputy for the Popular Vanguard Party, today said that Costa Rican President Luis Alberto Monge's statements in the United States can be described with the popular saying: The best defense is a good offense [te digo huecho antes de que me digas]. Mr Monge once again went to the United States to put this country up for sale at a very cheap price, because they are not even offering him a decent price for it, Deputy Ferreto said.

President Monge found it convenient to say that we are the ones forming a fifth column here, and this is the same as saying that we are serving interests foreign to our own nationality. Specifically, Mr Monge spoke of our attitude in giving our solidarity to the Nicaraguan and Cuban revolutions, that is, to fulfilling our duty of being in solidarity with our brother countries of Latin America, Deputy Ferreto Segura said.

Monge is especially concerned over the fact that we continue giving our solidarity to the brother people of Nicaragua, the deputy added. He thinks that just because of this he has the authority and the right to accuse us of forming a fifth column; but we believe, and all sensible Costa Ricans must also believe, that there is no contradiction between being a patriot and showing solidarity for the liberation processes in central America and all of Latin America. Mr Monge has no valid argument to show that we don't genuinely support the political struggle, the social activities and the legitimate interests of the people of Costa Rica, the deputy added.

CSO: 3248/236

## DIFFICULTIES IN OAU ACTIVITIES EXPLAINED

Havana BOHEMIA in Spanish 22 Oct 82, No 43, pp 60-63

[Article by Armando Entralgo and Carmen Gonzalez from the Center for African and Middle Eastern Studies]

[Text] The coming weeks should be decisive for the permanence and integrity of the OAU. Its 19th summit meeting, planned for last August in Tripoli, was adjourned for lack of a quorum. This adjournment culminated an intensive sabotage campaign organized by different forces pledged to wipe out the organization of unity of the states on that continent.

Those trying to maintain the OAU work hard so that the meeting can be held before the end of the year. Ishaya Audu, Nigerian minister of external affairs, told the newspaper NATION CONCORD in Lagos last 6 October that he was optimistic. He thinks other African countries will accept the compromise formula so that another summit can be organized in Tripoli before the year is over. He also stated: "It is no secret that the United States has never hidden its desire to see the Tripoli summit fail."

It is also important that at the end of the French-African summit in the capital of Zaire and during his visit to Brazzaville, French president Francois Mitterrand stated that there are many diplomats in Africa and that it would not take much time to find a solution to the OAU problems "in a capital of your choice, perhaps the one already selected."

The president explained that the French "do not have the mandate or the intention to replace anyone. The Africans must determine this for themselves through the OAU. France feels it is a friend (of the African states) but it is not one of them."

It should be asked why, for the first time in its 19 years of existence, the OAU which is the largest regional group in the world could not hold its two most important annual meetings in Tripoli: the preparatory meeting of foreign ministers and the summit meeting of chiefs of state and government. They were set for 26 July and 5 August of this year respectively.

The most important causes were (and are) as follows:

U.S. imperialism and the African reactionaries insist on blocking the admission of SDAR [Saharan Democratic Arab Republic] as a pretext to paralyze the OAU at the crucial time when the independence of Namibia is being decided.

U.S. imperialism and the African reactionaries insist on blocking the Libyan chief of state, Col Mu'ammarr al-Qadhafi, from ascending to the presidency of the OAU.

U.S. imperialism and the African reactionaries are basically interested in counteracting, slowing or pushing back the growing activity of the main anti-imperialist forces within the OAU whose number and quality have increased noticeably since the middle of the last decade.

Between 1963 and 1975, in a continent plagued with neocolonial structures with its southern tip still under old-style colonial domination, the OAU survived conspiracies to convert it into one more organization without any concrete historic meaning. The patient work on the diplomatic and political content of the Pan-African forces during those years is undeniable. This produced very valuable results which includes: the work of the Liberation Committee and the participation of national liberation movements in meetings at all levels of the OAU and the progressive strengthening of the nonalignment policy outlined in the 1963 Charter.

From 1975 to 1980, changes in the balance of power within the OAU were becoming intolerable for the external and internal enemies of the organization. The independence of the former Portuguese colonies and other important decolonizations like Zimbabwe, the support of governments that originated from the intervention of the progressive military with the popular classes which demonstrated a Marxist socialist orientation or one close to Marxism and the rise of teams of "national renewal" composed of military and civilians replacing openly neocolonial governments united to the growing struggle of unions and student organizations against the African rightists in power effectively altered the balance of power not only within the OAU but in each part of the continent, especially compared to preceding years.

Coming to government in 1981, Ronald Reagan's African policy team could not find any causes for the advance of the African revolution other than the alleged combination of "Soviet interventionist aggressiveness" and the inability of the replaced Yankee team, in this case James Carter's. Although Chester Crocker is anything but a fool, even he has not been able to escape from that fabrication with which the Yankee government tries to hide the real facts. This behavior of the new team in Washington is complemented, of course, by the over-confidence of its staunch friends north and south of the Sahara, some of them so out of line with their self-righteous propaganda that today more than ever they receive overwhelming criticism from the African public.

Using a different style and focus compared to the previous term, Crocker and company have proposed the following: To block the independence of Namibia as long as important concessions are not won from SWAPO [South-West African People's Organization] and the countries of the Front Line whose destabilization is the daily objective of the South African Armed Forces. In the Indian Ocean,

to reinforce the plans of Diego Garcia and torpedo the pacifist attempts by Madagascar, Seychelles and Mauritius--after the Mauritian Militant Movement came to government this year--to demilitarize the region. In the Horn, to increase hostility against Ethiopia, strengthen the system of bases in eastern Africa and hinder progressive Afro-Arab collaboration like Ethiopia, Libya and the People's Democratic Republic of Yemen are developing. In northwest Africa, to improve ties with the Moroccan monarchy not only to continue the war with the SDAR of the Polisario Front but to meddle in Maghrebian policy with the changes which occurred when Goukouni was replaced by Hissene Habre in dismembered Chad. And, naturally, to dismantle the OAU or at least weaken it as much as possible.

With respect to the OAU and the old dream of African unity, there is something else that has always concerned and will concern imperialism: the fact that from the beginning, even when unity was conceived with objectively narrow racial and cultural considerations, every unity or Pan-African statement was a call to battle against the reigning colonial system.

### Background of African Unity

The Pan-African political ideas and organizations formed by Antillean and black American intellectuals since the end of last century are legitimate precursors to the OAU. The Pan-African Conference held in London in 1900, organized by Atty Sylvester Williams of Trinidad and Tobago, can be considered the first major meeting for the unity of the black men of the world.

William DuBois who encouraged the Pan-African Congresses between 1919 and 1927 emphasized the right of the black people to be treated as men, to have their own land and their own personality. To a lesser degree, he emphasized the unification of a continent--Africa--divided by colonial occupation. In one of its documents, the Fifth Pan-African Congress in Manchester in 1945 already strongly stated that the arbitrary divisions and territorial boundaries delimited by the colonial powers were deliberate measures to hinder the political unity of Africa.

Whether speaking of the rights of the black man or continental unity, it is unquestionable that the different leaders, institutions and Pan-African events imposed the idea of African unity beginning in 1919 although this was inevitably more abstract than concrete. Between the two world wars, Pan-Africanism and other similar unity ideas were more a cultural doctrine than a real political ideology, as French researcher Ives Benot correctly indicated in his book "Ideology of African Independence."

The fact that the Fifth Congress stated clearly and without ambiguity that the basic goal of Pan-Africanism was the complete and unconditional liquidation of the colonial system linked the destinies of the antiracist struggles of the black peoples with national liberation and confirmed the close relationship between fights for black or Pan-African unity and anticolonial and anti-imperialist actions. No matter how much this origin of unity is ignored, the essential truth always emerges: unity and imperialist domination are antithetical terms.



In symbolism and practical value, the independence of Ghana in 1957 was exceptionally important for the decolonization process as well as for the progress of African unity. In April 1958, the First Conference of Independent African States took place in Accra. It was convoked by Nkrumah with the basic objective of finding the necessary means to defend the independence and sovereignty of the participants--the eight already independent states--and to help the rest of the continent which was still dependent to achieve liberation.

A second summit conference was held in Addis Ababa in June 1960 with very similar objectives. The progressive organizations that had reached power with the first independence movements tried to create a popular Pan-African institution. This held its first conference in Accra in December 1958, the second in Tunis in January 1960 and the third in Cairo in March 1961. It is interesting to point out that the new forms of colonialism that threatened the formally independent states were debated in depth at this last conference.

The conference indicated that colonialism acquired new manifestations through puppet governments, the regroupings of states obviously encouraged by a former colonizing power, the deliberate attempts at division and weakening and, especially, the continuation of economic dependence using new and old mechanisms. In other words, the delegates saw the need to also denounce what was called, from then on, neocolonialism.

The danger and the reality of neocolonial situations led to crises in Cameroon, Congo (Zaire) and the Republic of Mali and led to the division of independent Africa into three groups in 1961: the Casablanca group of 5 constituted in January 1961 as a group of radical governments; the Monrovia group of 20 constituted in May of the same year as a group of moderates; and the majority which was the rightist group of former French colonies known as the Brazzaville group.

However, between 1961 and 1963 they continued talking about and fighting for African unity while new independence arrived, although at a slower rate. In southern Africa, the Portuguese Government bloodily repressed the Angolan uprising which began in February 1961. The apartheid regime intensified the exploitation of black people in South Africa. The atmosphere was favorable so that, after several months of preparation, the African states met in Addis Ababa in May 1963. The desire for unity and the awareness of its need were dialectically superimposed over conflicts which, although real, were secondary. This summit meeting where the OAU was founded was received with great expectations by the politically more dynamic strata of the African peoples.

On 25 May 1963, the African chiefs of state and government signed the charter establishing the OAU. Many of its principles had already been expressed in the past history of Pan-Africanism. They were--and are--objectives of the OAU: to promote the unity and solidarity of the African states; to coordinate and increase their cooperation and efforts to achieve a better life for the African peoples; to defend their sovereignty, territorial integrity and independence; to eliminate all forms of colonialism in Africa; and to promote international cooperation based on the UN Charter and the Universal Declaration of Human Rights.

According to the OAU Charter, the principles that the African states would adopt in their future relations would be: the sovereign equality of all member states; nonintervention in internal affairs; respect for sovereignty and territorial integrity and the inalienable right to an independent existence; peaceful settlement of conflicts; condemnation of political assassination and subversion; absolute dedication to the total emancipation of still dependent African territories; and affirmation of a policy of nonalignment with any bloc.

#### Tripoli 82

When Secretary General Edem Kodjo announced the admission of SDAR in the OAU at the regular meeting of foreign ministers held in Addis Ababa in February 1982, 19 ministers of foreign relations withdrew from the meeting in what must be considered a movement of solidarity with the position expressed there by Morocco. According to the king's delegation, the correct procedure is contained in Article 17 of the Charter which requires that a two-thirds majority at the summit meeting decide if a territory is or is not a state before granting it membership.

This position was opposed by those who favored the admission of RASD, citing as precedent the case of Guinea-Bissau which was admitted to the OAU 6 months before obtaining its formal independence.

At that time, a group of states including Morocco and Egypt began widespread negotiations to obtain the backing of other governments in the area not to participate in any OAU meeting at which SDAR was represented.

It is significant that, at that time and without much ado, Ambassador Jeanne Kirkpatrick, U.S. permanent representative to the United Nations, was touring the region, issuing her usual denigrating criticism of any independent--and almost automatically anti-Yankee--behavior of the African states.

The position taken by Nigeria at that time was positive. Later it would join forces with Tanzania and Zambia to carry out negotiations aimed at avoiding a final schism in the organization. In spite of viewing the way RASD was incorporated into the OAU with some reserve, it took on the task of convincing those African countries that did not approve of that decision to attend the Tripoli summit, alleging that those who threatened to boycott it did it because of bad bilateral relations with the Libyan Government.

The ministerial meeting was planned to start on 26 July. The secretary of the OAU announced that the attendance of 37 member states was confirmed. However, 2 days after that date, it was obvious that it would not be possible to hold the ministerial meeting--much less the summit--for a lack of quorum in both cases and also the lack of prior preparation by the foreign ministers in the case of the meeting of chiefs of state and government.

Replacing the usual procedures, a long series of informal consultations began to try to surmount the impasse and create the conditions for the summit. With this intention, the foreign minister of Botswana who was president of the sessions presented a compromise solution. It included the participation of RASD

in the work of the ministerial meeting and its voluntary and temporary withdrawal from the summit. That motion did not receive the necessary general approval although the Saharan delegation accepted it.

At that time, the delegations of Niger and Upper Volta decided to withdraw from the ministerial meeting, ending the plan to have the 34 representatives required for the quorum which was the basis of the compromise with RASD as compensation for its voluntary withdrawal from the summit meeting.

The quorum could have been reached if Sierra Leone had joined the 33 countries present at the informal meetings. It was waiting "some place in Europe" to make its ultimate decision concerning its participation. Naturally, Upper Volta and Niger were included in the 34. When both left, Sierra Leone's attendance became futile so the entire proposal was defeated. The withdrawal of the representatives of Upper Volta and Niger made hopes that had been aroused plummet again.

Although the ministerial meeting was not held normally, on 6 August, 24 hours after planned, a meeting was attended by more chiefs of state and government than any previous time since the founding of the OAU. In Tripoli that day were the presidents of Mozambique, Ethiopia, Seychelles, Botswana, Ghana, Madagascar, Zambia, Rwanda, Tanzania, Benin, Congo, Algeria, Libya, Mali and Guinea-Bissau, the prime ministers of Cape Verde, Mauritius and Zambia and a special envoy from the president of Malawi. There were 16 absent.

Kenyan President Daniel arap Moi, outgoing president of the organization, could not attend. His government had just aborted a coup d'etat that might have been orchestrated to add one more element against holding the Libyan summit. Arap Moi proposed a "minisummit" in Nairobi to debate the admission of RASD. This idea was not successful and only seems to have been seconded by Liberia, another of those absent.

It should be recalled that, at the beginning of August, the Parisian newspaper LE MONDE printed a message from Arap Moi on the summit. He warned about strong pressures from the United States not to hold it in order to keep Libya from assuming the presidency of the OAU, according to the Kenyan president. LE MONDE explained that "Washington uses its continental allies for this objective....Due to its influence on some African states, it can have some effect in this sense." He ended by saying: "The United States can keep Qadhafi from assuming the presidency of the OAU at this time although, with this maneuver, it will help reinforce the unity of the progressive countries of the continent."

Statements by a spokesman of the U.S. State Department, Allen Romberg, also at the beginning of August seemed to confirm the veracity of the first part of the statements in LE MONDE and the warning from Arap Moi. Romberg denied that the United States sought to "meddle" in the affairs of the OAU or "nullify it." He added that "the real reason a quorum was not reached in Tripoli is related to Qadhafi's past and present activities more than any other thing."

By 7 August, the 19th summit had been definitely postponed. According to international press agencies, there were 31 delegations present who adopted the

agreement to postpone it for no more than 3 months without announcing the next site. They also created a committee made up of Libya, Tanzania, Congo, Mozambique, Zambia and Mali to contact the countries that did not come to Tripoli in order to set the date of the new meeting.

The most important result of the meeting was the document called the "Tripoli Declaration." It was written in a persuasive but firm tone and contains positions on the most urgent problems that affect the continent. It stresses to all the member states of the OAU the need to preserve unity.

In its preamble, the declaration recalls the emancipating objectives that inspired the creation of the OAU, reaffirming its commitment to insure the complete liberation of Africa. It emphasizes the conviction of the signers that "the fate of the OAU is in the hands of all the member states" and "the strength (of the organization) lies in our unity." It calls "the most aggressive means of imperialism" responsible for the worsening of the international situation, especially in three critical points of the continent: north Africa, the Middle East and southern Africa.

Reviewing the situation in these three sources of conflict, the Declaration states: "There will be no peace, stability or security in southern Africa as long as Namibia does not recover its true independence and the apartheid system in South Africa is not destroyed." It ratifies its adhesion to the plan of action on Namibia adopted in Arusha and asks the African states to honor their commitment to put it into practice. It rejects the U.S.-South African maneuvers aimed at linking the presence of Cuban troops in Angola with the decolonization process in Namibia. It asks the international community to take measures to stop Western collaboration with the South African regime and urges more financial and material African aid for the liberation movements in Namibia and South Africa.

The declaration salutes "the spirit of understanding and total cooperation of RASD--whose fight once more received the support of the OAU--to insure the success of the summit at the time it was requested as well as Morocco in seeking the ways and means to put an end to the conflict that confronts it." In that same context, the signers proclaim their conviction that the "admission of RASD" to the OAU "constitutes an important step in the region and in Africa."

The Palestine question and Zionist aggression against Lebanon were mentioned, reaffirming the support of the organization for the fight of the Palestinian people and condemning Israeli aggression in Lebanon, backed by the United States, as well as the encouragement that the Zionist group finds in the United States to perpetrate its acts of aggression.

The declaration ends by expressing the concern of those present in Tripoli about the deterioration of the situation in Chad after the "voluntary departure of the (Libyan) troops whose conscious efforts and sacrifices contributed significantly to the reestablishment of peace and security as well as to the safeguard of unity" in that country. It ratifies the Lagos agreements aimed at reaching a new national reconciliation in Chad.



The initial disagreements between the two groups into which the member states of the OAU were divided were based on the confirmation of SDAR as a member of the organization with full rights and the legality or illegality of admitting it. It was not until far into the discussions of the ministerial meeting that the other factor which was political and not legal began to emerge. This was what was behind the boycott. Angolan foreign minister Paulo Jorge graphically described the situation when he stated that Qadhafi's rise to the presidency of the OAU was the basic question and SDAR was the foil.

It is impossible for the Reagan administration to reconcile the possibility that a leader like Qadhafi can assume the presidency of the OAU in view of the need to discuss or seek a quick solution to such difficult questions for imperialism like the African Horn, Namibia, Chad, the situation in Lebanon and the status of SDAR within the organization so that their treatment favors the U.S. Government. Although the suspension of the conference was the most serious reverse suffered by the organization during its lifetime, it is no less true that it produced the necessary unity of the progressive countries which continually spreads to cover a broader gamut of problems in which their positions slowly become more homogenous. That unity is the instrument in their hands that could help them save the OAU from its present difficulties, strengthening the anti-imperialist roots of the organization.

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CSO: 3248/191



## VARIOUS INTERNATIONAL ISSUES, U.S. STANDS VIEWED

## Grenada Revolution

Havana PRISMA LATINOAMERICANO in Spanish Sep 82 p 2

[Commentary by Javier Rodriguez: "Friends and Enemies"]

[Text] It has now been 3 and 1/2 years that the small Caribbean nation of Grenada has been something more than a point on the map of the American continent, its strategic location and natural resources controlled with an iron hand by foreign interests.

Revolution came to Grenada in March 1979, thanks to its people and the New Jewel Movement, led by Maurice Bishop, and swept from the 344 square kilometers making up the former "Spice Island" a government that, while a merciless violator of human rights, was an unquestionable example of submission to international capitalism.

Even more difficult than the taking of power, naturally, is liquidation of the heritage bequeathed, first by colonialism and then by Eric Gairy's regime, to Grenadans as a sample of what those systems always provide to those who live under them.

Some 45 percent of the country's labor force unemployed, almost nonexistent industrial development, the low number of productive options that limited the nation's economic possibilities, complete absence of national cadres to deal with tasks involving the economy, illiteracy, and corruption, lack of social welfare, dependence on very few markets for the nation's few exports; poverty: that is what Grenada received 42 months ago upon its true independence.

Prime Minister Maurice Bishop's government has worked hard to alleviate or remedy those ills. To mention only some achievements, we can highlight the creation of new jobs, advances in construction--especially of roads and highways and the international airport that will serve as a basis for the development of tourism, free food for students, construction of factories, the spreading of production cooperatives on lands that were idle, the growth of exports, and the literacy campaign, which is progressing successfully.

Of course, to be able to work for its people's benefit, Grenada had to produce an extremely important deed that will forever mark the direction of its revolution and that has had implications beyond its borders.

That was the breaking of ties of dependence with foreign powers, the affirmation of its own sovereignty and identity, and the severing of connections with the great monopolies that had always profitted from exploitation of its natural resources. These acts are expressions of the new Grenada's completely free conduct in the international arena.

Soon, the 115,000 inhabitants of the beautiful Caribbean country began to be known not only for the bananas, cacao, and nutmeg they produced, but also particularly for their government's firm, meaningful position in international bodies, for their outstanding participation in the tasks carried out by the Movement of Non-aligned Countries, for their independent views in the handling of issues affecting all humanity.

Naturally, the reactions to that international stance enabled Grenada to quickly find out who its friends were and also who its enemies are, a process experienced by all underdeveloped countries that have taken the road of genuine independence.

During Grenada's past, under Gairy's police regime, the Grenadan Government's friends were very well known and actually not at all desirable.

Augusto Pinochet's Chilean dictatorship was one of them, and its chief aid for the country's development was the training of Grenadan military personnel in the most refined methods of repression and torture.

South Korea exchanged military assistance and promises of economic aid for Gairy's concession of exclusive fishing rights in Grenada's territorial waters.

In addition to exploiting the country's natural resources, the United States obtained special authorization for the use of Grenadan facilities by its military aircraft.

Now Grenada's friends are those who really contribute to its development and defend it from the continual threats and attacks carried out by the North American administration since the very day Maurice Bishop declared his country's independence from foreign domination.

Of course, for Grenada, diversification of its international relations constituted the culmination of the entire process of liberation from imperialist control and, at the same time, grounds for anger in the White House, which immediately decreed an economic blockade and military and political harassment of Saint Georges.

The friendly hand of Cuba, however, which is providing significant assistance to Grenada in construction, the fishing industry, and other sectors of the economy, is joined with those of the other socialist countries, some of which Prime Minister Bishop visited recently.

Grenada has signed agreements with the countries of the socialist community, especially with the Soviet Union, that guarantee it stable, fair trade, lines of credit needed for the financing of works related to its development, aid for the training of cadres, and large donations stemming from those governments' internationalist principles.

What is most important to Grenada is that those international relationships are based on fraternal, disinterested cooperation, without the conditions that always marked those with the United States and other capitalist powers.

#### Ghana vs Multinationals

Havana PRISMA LATINOAMERICANO in Spanish Sep 82 p 21

[Commentary by Alcibiades Hidalgo: "Why it's so?"]

[Text] Accra continues to be the surprising African city of abundant vegetation that I found in June 1979, when Jerry Rawlings took the reins of power in Ghana for the first time.

Then, as now, it was not hard for the recent arrival to perceive that the first country in black Africa to free itself from European colonialism was again at the threshold of another definitive moment in its national history.

At just the beginning of the third decade of formal independence, little remained of the ideas of Osagyefo Kwame Nkrumah. The "Redeemer," in the Ashanti tongue, had been removed from the country's leadership in 1966 and replaced by a long list of military misrulers, with a brief period of civilian government, responsible for a true reversal of Ghana's economic and political development.

Corruption--so extensive that it earned its own term, "kalabule," in all the country's languages--became identified with the government's administration and eroded the very foundations of the nation that from West Africa had once pointed the way, with its example, to independence among African countries.

On 4 June 1979, a legitimate popular rebellion, led by the country's best fighter pilot, launched the first assault against that order of things.

In Accra's streets, students and soldiers called for an end to the lengthy national crisis. Workers also issued their demands in opposition to the boundless ambition of the multinationals, represented by the Volta Aluminium Company (VALCO), a subsidiary of Kayser [sic] International, which every Ghanaian identifies with the plundering of his country's natural resources.

Twenty-seven months after having turned power over to a civilian government, which during that period attempted to undo achievements and ignore the warnings of that 4 June, Jerry Rawlings is again in charge of Ghana's destiny, and the people are again proclaiming their desire for social transformation.

In Accra this summer, I saw workers and soldiers protesting, in support of their government, the 20 percent reduction in production decreed unilaterally by VALCO to worsen unemployment and heighten the nation's economic crisis.

I also heard them intone, time and time again, with that powerful rhythm of African popular songs, a question--"Why it's so?"--which is running around the country and expresses through each person who asks it an eloquent example of the causes of what is happening today in Ghana:

"Why does the fishing company Starkist International, which operates in our territorial waters, pay only \$8.00 for every 1,000 tons of tuna it catches?"

"Why, if it is the people who work, do thousands of Ghanaian villages have no electricity while the energy from the Akosombo Dam is exported at a low price?"

"Why does VALCO pay less than a Ghanaian, in fact the lowest price in the world, for the electricity and water it consumes to produce aluminum?"

"Why do things have to be that way in our country?"

With the dawn of the new year, many things have changed in Ghana. The failure of the alleged system of representative democracy was sealed with the fate of the Hilla Limann government, in the same way that 2 years earlier the long period of military rule ended with one of the most negative balances in the history of modern Africa.

Thus, the legacy received by the new rulers could not be more burdensome.

The Provisional Council of National Defense, headed by Rawlings, found, according to its own description, a country dominated by a typical neocolonial structure, controlled by foreign capital, dependent on imports of raw materials for the operation of local industry, which was working at only 20 percent of its productive capacity.

Cacao, accounting for 60 percent of the country's exportable funds, often languished on the plantations, not even being transported to the coast for exportation, while total production of it is only one-half of what it was 10 years ago.

In the cities, the struggle against the speculators, such as the powerful group of merchants in the Makola Market in the capital, is becoming more pressing, for the battle on this field is for the very survival of the population.

Since 31 December 1981, the Ghanaian political process, which is proclaiming its status as a national/democratic revolution, has been confronting--with unquestionable public support--the enormous difficulties stemming from that chaotic economic situation, at the mercy of interference by powerful international monopolies.

If people in Ghana are asked about the differences between this new experience and the one of June 1979, they will surely recall, first of all, that the previous one was a limited action that attacked the effects, rather than the causes, of the national crisis. They will add the important distinction, too, between spontaneous participation by the masses and the organized activity made possible today by new institutions that, along with the people, wonder, "Why it's so?"

#### Unemployment Problems Stressed

havana PRISMA LATINOAMERICANO in Spanish Sep 82 p 58

[Commentary by Jose Bodes Gomez: "'Youth, Divine Treasure,' But Out of Work"]

[Text] This summer, in the United States, one of every two young people in the Black population is out of work.



In general, unemployment among youth has become one of the most serious problems facing many industrialized capitalist countries and, of course, underdeveloped countries.

According to data from the International Labor Organization (ILO), the number of unemployed young people in western developed countries rose from 1 million in 1970 to 6.5 million in 1980.

The rate of increase reflected by the above statistic surpasses the already high general rate of increase of unemployment recorded by capitalist countries, which demonstrates that the existing economic system is incapable of usefully assimilating the population reaching working age.

In the United States, this situation is aggravated by racial discrimination, and that is why a higher proportion of young Blacks is suffering from a lack of jobs.

At the same time, the high unemployment rates for young people in developed capitalist countries demonstrate--among other things--that a low rate of population growth is not of itself a guarantee of economic welfare for the population.

The causes of unemployment, as well as inflation and other ills afflicting the capitalist world, basically stem from the defects and injustices inherent in the economic and social system prevailing in the countries composing it.

Unlike many nations in the so-called Third World, for some years the United States and Western Europe have been experiencing reduced population growth, and not even this limited birth rate is enabling young people to find jobs in existing workplaces.

According to ILO statistics, the number of young people without jobs in the underdeveloped countries has reached 35 million, and in the next 20 years another 70 million will be added to the enormous mass in search of work.

Of course, these figures always turn out to be low, for, as the World Bank acknowledges, "Unemployment statistics in developing countries are limited and often hard to interpret."

Studies by the Bank concerning visible unemployment, which embraces people out of work and actively seeking it, indicate that "it is principally an urban phenomenon prevailing among workers whose age ranges between 13 and 22."

That is the World Bank's interpretation, about which certain observations must be made. The first is humanitarian in nature: 13 cannot be accepted as a working age, and if in fact there are many child laborers, it is precisely the result of the injustices of the capitalist system.

A dramatic paradox of that world where private enterprise reigns and the multinational monopolies have their headquarters, is that the figure for workers below the age of 15 was 75 million in 1979. The explanation is very indicative: Those younger people are paid below the minimum, and their labor provides higher profits for their employers.



As for interpretation of unemployment in underdeveloped countries as an "urban phenomenon," it is enough to reiterate that the statistics are limited in order to understand that the dimensions of the problem in rural areas are beyond any sort of accurate calculation. However, the continual emigration from the country to the cities demonstrates that the phenomenon of unemployment is striking in both places.

Perhaps all that supports the World Bank's statement is that many families from the country do not find work in the city, either, and then it is necessary to recognize the extreme seriousness of the phenomenon, which transcends the local context to become a problem of the first order in every country experiencing it.

The children who begin to work at 13 are forced to do so for their own, and their family's, survival, when their parents cannot find steady work as a rule. Those who are luckier and can devote those years to study do not have a secure future, either.

Many college graduates in countries in Latin America, Africa, and Asia are forced to work in areas outside their field, with the hope--often futile--of finding a position corresponding to their educational level.

Even young people in the most highly developed capitalist countries do not escape this bitter situation, as is demonstrated by the fact that in the United States the problem is aggravated during the summer months, a season when students leave technical schools and universities.

The forecast by the Organization for Economic Cooperation and Development (OECD) is that unemployment will rise this year from 25 to 28 million, and there is no doubt that a large part of that will be accounted for by the young people in the industrialized capitalist countries making up that body.

For the underdeveloped world, with its 455 million unemployed or underemployed men and women, the prospect is even worse. The big fellows' crisis is falling on their shoulders so that the wealthy can obtain new profits.

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CSO: 3248/185

## NEW SELF-SERVICE GROCERY OPENS IN HAVANA

Havana BOHEMIA in Spanish 22 Oct 82, No 43, pp 28-31

[Article by Alberto Pozo; passages enclosed in slantlines printed in boldface]

[Text] The Cuban is successfully developing his country. However, apart from revolutionary satisfaction, his search for compensation for his efforts through the enjoyment of services is very natural. Speaking plainly, he has still not found that balance.

Although it is almost unnecessary to note it, let us recall the immense wealth created by the revolution in education, public health and culture, for example. Not only do we appreciate these in our own backyard but they are admired by visitors.

However, in a socialist society it is very possible to aspire to a continual improvement in the /way of life/, a socialist concept that not only includes the standard of living indicators but also includes the weight of moral values.

It is not unusual, then, that our society is concerned with promoting the lagging spheres. We are going to discuss commercial services in general and especially the new supermarkets in the retail food sector.

#### Let Us Begin at the Beginning

To understand the reason for the backwardness, we must go back to the beginning and study the background.

Although we all know it, it is not idle to remark that at the time of the revolutionary triumph, there was an underdeveloped country, a Yankee neocolony, limited to sugar exports. Even in recent times, the contradiction between a growing population and a declining quota for the benefit of U.S. sugar producers had become stifling.

Along with the political measures taken to free us from the colonizing country, it became urgent to develop agriculture and industry to solve the acute problem of unemployment and start the country progressing.

Naturally, the best service workers also heeded the call. At that time, the best option was to use the experienced work force from every sector in order to begin developing production.

It could be alleged that there were too many unemployed hands and if they had been used, it would not have been necessary to affect other sectors. True, but in order to gain time and productivity, it was necessary to exploit the work habits, discipline and example of those who had these qualities. Therefore, the contribution of the skilled trade workers was indispensable.

The other side of the coin was that the trade sector was stripped of most of its best workers. Another reliable portion took charge of leadership positions in the sector. Another group--the political dregs--left with their masters. Finally, the passage of time has brought the majority of the old personnel in every sector to retirement.

One immediate contradiction was that, at the same time, the revolution made efforts to expand services to reach all the people. Where would the work force for this low priority sector come from? From personnel with reduced labor ability, from housewives not used to jobs and from those who had no other recourse in the past than to earn their livings as servants.

#### Wounds of the Past

We had just swept out the regime of exploitation of man by man and the wounds caused by that society with its disgraceful differences were still open. It was no wonder that trade services were somewhat confused with work evoking the age of servants.

This confusion could be summarized in the phrases that were heard: "I am no longer anyone's servant; now we are all equal!" Objectively, some of the public contributed to the rawness of this wound with their impatient, contemptuous attitudes toward this new and unskilled work force.

We want to point out the blame of some users or consumers who, suffering from a formalized education, have not respected the trade workers even though they are as much a part of the people as the former. We point this out because it is a factor that has never been mentioned. It also adds fuel to the fire of the poor quality of commercial services.

We also must not pass over the fact that rationing has contributed to this climate to some degree. There is the contradiction that this is a just measure to guarantee essential goods to all the people. It impedes the free operation of the law of supply and demand which would hurt the lower income sector's ability to obtain these goods of prime necessity, a rational quantity of which is guaranteed by the revolution through the ration book.

This is the result of the imbalance between supply and demand. Naturally, certain products are not available for everyone at the same time even though, in the long run, they reach each family. This occurred with towels, for example. That situation creates tension, friction, anxiety and a negative state of mind that is revealed in the lines.

As we said, the contradiction is due to the just measure that insures equitable distribution. It creates natural frictions caused by material shortage

in those who do not have sufficient awareness for revolutionary understanding. In these situations, we must consider that the wise thing is to choose the lesser of the two evils. Without any doubt, the lesser of the two is rationing.

If it is not carried out with strict organization, control and demand, it can open a breach where the vice of favoritism and the schemes of the minority groups, the scum of the society, can slip in.

There is more. This penetrates the reality of another economic contradiction. It helps reduce interest in production and increasing work productivity because no matter what we do, we are always going to receive the same. Let us remember that in the construction of socialism the governing principle is "from each according to his ability; to each according to his work."

One measure that will slowly help correct this limitation is the parallel market. It expands as society receives more resources until it eliminates rationing.

The history from the First PCC [Communist Party of Cuba] Congress until now shows a systematic expansion of this procedure in spite of the negative influence, especially in recent times, of the drop in sugar prices.

#### Accumulated Negative Effect

Since virtually all efforts went into production, it was inevitable that the importance of service work was ignored in society.

/Here is the general situation: service work is not prestigious; there is no widespread recognition of its value./ With that moral burden, not much can be asked of the man who needs to feel that his work is socially useful. Let us give the opposite example: the cane cutter, recognized by everyone, who receives great moral and material incentives. It is no wonder that the million-arroba movement continues to advance.

The lack of priority of the sphere has other consequences. The organization does not really have a hierarchy. The natural consequences of that situation are lack of control and demand. With this administrative climate, the most logical thing in the world is that crimes like "leaks," for example, have been committed.

This same lack of priority has led to the fact that there is not much awareness about the need to rationally invest material resources to help improve services. It is not just a matter of a more appropriate scale of wages and positions but the development of consistent work to systematically--not by temporary surges--improve work safety measures, especially environmental conditions.

We feel that it is not really a question of a shortage of material resources. There is the case when expensive projects are invested in and sanitary services, for example, are forgotten. Or the movement of air currents to maintain a better temperature is not considered or leakages make the building uninhabitable.

These problems are small compared to the total cost of the investment. They occur because their importance has not been stressed in order to create the environmental conditions that man requires as well as to help optimize work production and increased productivity.

We stress that this can be corrected when the importance of environmental conditions is understood. We remember the case of the community dining rooms. The administration learned that, in its hundreds of kitchens, /the cook cooked/ along with his food. Those oil fires give off so much heat! The situation was studied which led to the statement of the minimal time the cook must have the stove on. It was basically an organizational problem. In passing, the 70,000 tons of oil used per year can theoretically be reduced to 40,000 tons. It will be a matter of demand. Let us drop this subject now and cover it in another BOHEMIA ECONOMICA.

### Training and Formal Education

When the work force is not correctly trained, when there is no real, consistent system of retraining as is inevitable at this point in the scientific-technical revolution, we can ask little of the worker. This is another continuing problem.

It is not only a matter of giving him technical training but it is time to realize the great tool of the mastery, the internalization, of formal education. Although the rational material base is important in services, the attitude of the man is equally or more important. We mean his ability to understand the consumer or user and attend to him as he deserves since he has worked very hard on his shift, at the crane or on the tractor and he wants the logical compensation for his effort through quality services.

Also it is time to think about emphasizing the formal education of the user who must view the trade worker as a man who deserves respect as one of the people.

This entire situation, plus some aspects that might have escaped us, was stressed at the /National Services Plenum/ held last March. In this fraternal meeting, the workers and administration laid their cards on the table.

Because of the consistent work done since then to improve services, we dare point this out as /the turning point for a leap in quality to which we aspire today/. We already have better conditions to try.

It should be pointed out that for some time the importance of the sphere has been stressed, that it is compensation for work. Proof of this are the meetings of trade and food service technicians, their seventh and third respectively, in full swing at this time.

### Supermarkets: One Example

In the development zone--Alamar, Plaza, Via Tunel, San Agustin, Mulgoba, Alta-habana, etc.--of the capital and the rest of the country, a system of supermarkets for the distribution of food products is being implemented. The work



of the user is alleviated. He is like a pilgrim going from the grocery store to the butcher shop, to the milk store and to the fish store. This is not even part of the plan against sedentariness. In certain places there are even commercial centers that include essential services in a compact area: beauty shops, barbers, industrial products stores, pharmacies, etc.

Referring to Havana City specifically, let us remember that the total number of inhabitants in all the province capitals of the country is less than the number in the capital. In the rest of its zones with its very large area and population, the retail network functions in the same sites as they have for 24 years, many of them in very bad condition.

It is no secret that, in modern times, retail distribution throughout the world continues toward forming supermarkets. This means grouping in a single building all types of food products including meat, milk, fish and everything else that has traditionally been sold in grocery stores as well as agricultural products.

Naturally, major resources were needed and, throughout the years, the economy always faced high priority objectives that absorbed the limited resources of the country.

Nevertheless, in spite of this logical and very judicious distribution of resources for other high priority objectives, the shortage of establishments and their worsening physical condition have brought the situation to the verge of collapse.

What to do? They say that necessity is the mother of invention. We really could not follow the line of very modern, luxurious markets that dazzle our eyes in films or in the trips that we make due to lack of resources. Neither could we continue crossing our arms or using band-aids: leveling a wall, catching some drops or converting a doorway into a warehouse. The disease had no cure. However, if we heed the lessons of life, we will understand that they teach us to break molds.

What was essential? A building with enough space, reasonable environmental conditions for consumers as well as the workers themselves, a large staff based on the space and services, adequate training and, over all these elements, an organization that prevented lack of control and was demanding.

### In Union Lies Strength

How to achieve this? In union lies strength. It is not a question of leaving it all to the Sectorial Trade Directorate and asking it for miracles. The party makes the systematic guarantee of its guidance and support felt, the people's government--with the knowledge of the needs of its districts and electors--not only contributes this information but lends its support to resolve material elements, the Federation of Cuban Women offers its base experience and the Sectorial Directorate provides financing and professional help. Support has been received from different factories like the Juan M. Quijano factory and the Tasia enterprise of the Ministry of the Sugar Industry.

The typical new supermarket measures 20 meters across by 30 meters deep. It is built with steel beams and asbestos cement tiles and is finished with a false ceiling to neutralize the heat. There are large windows so that air currents can come in and out to cool the area. The previously forgotten roof ventilators definitely help ignore the dog days. Then there are shopping carts, baskets, cold storage rooms, coolers, cash registers, conveyor belts and everything to create adequate working and environmental conditions. There is also a good system of signs and information about the products.

The supermarket has a larger staff which makes it possible to place a higher level administrator with a higher wage and recognized experience, backed by a more complete command structure. A union section is guaranteed and, in some of them, a cell of members and a base committee of the UJC [Union of Young Communists] might arise. In this way, the political and mass organizations will constitute an important element for the discipline and morale among all the workers.

The progressive expansion of packaging products will expedite purchases and avoid "confusions" when complemented with a good system of signs.

#### First Step

The first phase of the plan with a capacity for 4,500 users includes 21 supermarkets. Five of these are almost finished; they are in La Lisa (1), El Cotorro (1), San Miguel del Padron (1) and 10 de Octubre (2).

They are complemented by a group of atypical smaller supermarkets. Those already finished are on Calzada between A and B, Vedado, in the Guiteras district in Habana del Este and on the second floor of the Plaza de Guanabacoa.

Other plazas and buildings are being remodeled. One example is the supermarket on 19 between A and B, Vedado, which functioned until a little while ago as a public health warehouse. There is also one on Villoldo and San Gregorio in Arroyo Apolo and on Ayestaran almost at the corner of San Pedro in Cerro which used to be an eyeglass factory.

The plan also includes the construction of 74 minimarkets where the agricultural products from a certain area will be sold. These will be taken out of grocery stores so that they will have space for their traditional functions. About 30 of them have land to expand on and convert into minimarkets that will help improve the complete service of food products in certain areas.

Finally, 31 agricultural markets or farm markets have already been opened. They will take care of the seasonal influx of crops, especially in the spring. Another 12 are under construction.

#### We Are Doing Well

The preliminary results seem to indicate this. /But the plan must be watched./ That is, we must not fall into an evil that has almost become endemic. The centers are opened and everything goes perfectly at the beginning; then things begin to deteriorate.

For our part, we have finished our first round. As is logical, we began it ahead of the plan at the atypical supermarket on Calzada.

Three grocery stores, two butcher shops, two milk stores and one fish store were transferred to it. According to the reports of the users, it is functioning well but the space was refilled with new transfers.

As to information which is so important for good service, a friend of ours went to visit it. He could not buy a box of fish because they did not know the price. The second administrator had to come, list in hand, to solve the problem. This is an anecdote and a warning.

In the days before the opening, empty boxes accumulated in front of the beautiful facade. The community inspectors came and fined them. That was fast action but there should have been garbage bins there to prevent this situation.

The agricultural products are in one part of the basement, a narrow place without ventilation. They assured us that they would put in ventilators. We hope so. The same thing occurred in the warehouse with the identical response and equal hope that it is true.

Traditionally most lines form in supermarkets due to a lack of cashiers. One of the three was missing when we visited.

Of course, the eager employees had been given white coats as a sign of hygiene, an element that the work and establishment stress. However, they wore them open, just as a formality. There is no internalization that it is one of the aspects that contribute to the prestige of the work, the recognition of the others, their social importance.

Some users refuse to use a basket or cart, depending on the amount of the purchase. As a result, products can fall from their hands and break. Their use has a practical importance--the preservation of food--and a psychological importance--the use of these elements communicates prestige to the sales place and to the act of purchasing. Believe it or not, it is a touch that makes life pleasanter.

/We have cited some details with the intention that they be warnings to increase the good service offered today./

We earn wages for the effort of our work. However, 85 percent of our monthly income goes for commercial services. In other words, commercial services are compensation for work. The pleasanter the shopping is, the happier we will come home.

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CSO: 3248/191

## NEW REGULATION ON HOUSING, FOOD PAYMENTS NOTED

Havana BOHEMIA in Spanish 22 Oct 82, No 43, p 32

[Article by Luis Rodriguez Balmaseda]

[Text] In order to consolidate and improve the Economic Management and Planning System, the Second Party Congress indicated the need to continue eliminating illegal benefits and transfer the cases of citizens with inadequate income to the Social Welfare System.

With this objective, regulations to not incorporate new requests for exoneration of payment for housing and the worker dining room have been adopted. At the same time, those who now receive this benefit are considered exceptions to keep their economic situation from being affected.

Resolution 1498 of the CETSS [State Committee for Labor and Social Security] that went into effect on 15 September establishes this.

What does that resolution establish? All previous legal provisions on exoneration of payment for housing and the worker dining room for families with inadequate income have been repealed.

It establishes that those workers who enjoy both benefits will be granted a loan as long as the socioeconomic conditions for which it was originally conceded continue.

Within 90 days of the date of effect of the mentioned resolution, they must go to the Municipal Department of Social Security and Welfare of the people's government where the beneficiary is registered to receive compensation from Social Welfare to pay those expenses.

During these 90 days established to request compensation from Social Welfare and until the corresponding decision is issued by the Municipal Departments of Social Security and Welfare, the beneficiaries who are enjoying free worker dining rooms and housing will continue to receive the same amount.

These departments will analyze the requests presented and if the reasons for the exoneration continue, they will grant compensation charged to the Social Welfare System equal to the amount they have been receiving.

The CETSS has dictated instructions 1451 and 1452 establishing the procedure to follow in both cases.

#### Response to a Reader

Comrade Cesar Pena of Villa Clara wrote to the "Situations" column requesting information about SNC 2-25. He wanted to know the reason for this form.

In response, we can inform him that this form includes the days worked and the wages paid the workers in all the labor centers, detailed month by month.

The administration is obliged to show it to the worker within the first 3 months of each year so that he can review it. If he agrees with the annotations made, he approves it and signs it.

The SNC 2-25 is a very important instrument because any time the worker needs certification of his time of service and wages for retirement or any other reason, he can obtain this quickly and correctly with the help of this form.

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CSO: 3248/191



## CHARLES SAYS GROWERS BACK GOVERNMENT PLAN FOR BANANAS

## Radio Remarks

Bridgetown Sunday ADVOCATE-NEWS in English 24 Oct 82 p 3

[Text] ROSEAU, Dominica, Saturday (CANA)--Dominica's Prime Minister, Eugenia Charles, has described as "favourable" the response from banana growers to government's plan for revamping the ailing banana industry, but she has accused politicians of trying to stall the scheme.

In a radio interview, Miss Charles said that her government was "making a real thrust," to ensure that the banana industry survives and that the growers were getting more involved in the industry.

The Dominica Government has been holding meetings with banana farmers on the plan, which embraces the establishment of a company to take over the responsibility of the statutory body that now runs the banana industry. The long-term plan is to have operation of the privately-owned industry in private hands.

There has been opposition to the government's plan from the National Workers Union (NWU), which has accused the Government of attempting to "wash its hands" of an industry that badly needs its guidance.

Miss Charles said on radio: "I think that from the growers the reaction has been very good..., but at every meeting there has been some ex-politician or politician-that-would-be that has come up with some idea that we should not do it now, we should delay it, it's too early to do it.

"But on the whole, the grower is saying that if it means we can get a better banana industry, let's go ahead with it."

"We are making a real thrust to ensure that the grower himself has more say in the running of the industry, because we feel it is the only way that the industry will be successful and viable," said Miss Charles.

The banana industry accounts for 70 per cent of the island's total income revenue.

Miss Charles also said that with regards to marketing agricultural produce her government had approached the Barbados Caribbean Agricultural Trading Company (CATCO) to help.

She added: "We think that CATCO can assist us in getting the markets. They are looking at buying bananas which have not been found shippable to the United Kingdom and I am really pressing this very hard, because if we can absorb all the bananas produced by the grower...then we really would have helped the grower a great deal."

#### House Adjournment

Bridgetown ADVOCATE-NEWS in English 28 Oct 82 p 12

[Text]

ROSEAU, Dominica, Tuesday. (AP) — The Dominica Parliament was adjourned yesterday until November 8 without considering an opposition motion likely to result in a heated debate.

According to the Order Paper, Opposition parliamentarian and former Finance Minister Michael Douglas is to table a motion calling on Government to give all details relevant to the reorganisation of the country's industry.

But Prime Minister Eugenia Charles moved a motion which was unanimously adopted by the House that the sitting be adjourned to November 8.

Douglas motion is aimed at having government inform banana farmers of the implications to the industry before any legislation is passed in Parliament which

gives legal effect to the reorganisation of the banana industry.

The motion follows government's plan to set up a new company to administer the affairs of Dominica's most vital industrial sector.

The banana industry is heavily in debt despite financial assistance from government and overseas donors.

The government has targeted next year for the implementation of its reorganisational plan, and has been holding a series of meetings all over the island with banana growers informing them of the need to make the industry viable.

There has been opposition, however, to the government's plan, with the latest criticism coming from the Democratic Labour Party of former Prime Minister Oliver Seraphin.

In a statement over the weekend, Seraphin declared that any effort by government to palm off its responsibility on the backs of the overburdened farmer is merely a cheap trick to throw all the blame for the death of the industry on the poor farmer.

The Democratic Labour Party calls on the freedom government to reject the Washington-inspired strategy for the banana industry and to abandon this unreasonable, irresponsible and impractical proposal of converting the control of our main industry from the state to private sector control.

The party charged that the present proposal for the association is another effort by the government to relieve itself of directly managing the industry which represents near 80 per cent of the economy.

CSO: 3298/105

## RIVERA Y DAMAS CRITICIZES POLITICIANS

San Salvador EL MUNDO in Spanish 11 Oct 82 p 2

[Text] The prelate of the Salvadoran Catholic Church, Msgr Arturo Rivera y Damas, affirmed today at this capital's cathedral, during his usual 8 o'clock mass: "Certainly the country's problems are grave, and time during this abnormal period of war is rather short to permit us to see satisfactory results."

The interim apostolic administrator of this capital's archdiocese pointed out, on the other hand, that the hurricane left a toll of some 7,000 houses destroyed or damaged, nearly 1,000 persons drowned and 40,000 persons injured.

Rivera y Damas said that one had to add to this the consequences of a long fratricidal war, such as epidemics, lack of medicines and the significant destruction of the basic grain crops. This way "we will realize how the economic crisis in the country becomes more critical all the time. "I believe that grief should not be inflicted on the distressed, and that we should look at this as a challenge to search for a rational way out," added Monsignor Rivera.

Further on he said that it is discouraging to see politicians "more worried to find peace and give impetus to the modest changes already begun.

He observed, on the other hand, that it seemed to him that "the invitation that Nicaragua sent to Honduras to hold talks that might help to surmount the differences that have arisen between these two brother countries is a reasonable and urgent course."

In this context he pointed out that according to political scientists, if these two countries should break off relations and start a war, "this would be the propitious occasion that the superpowers are waiting for to interfere," and he underlined the need for dialogue in order to avoid conflicts between nations.

9907

CSO: 3248/179

COFFEE FORUM SEEKS CONSTITUENT ASSEMBLY SUPPORT

San Salvador LA PRENSA GRAFICA in Spanish 4 Oct 82 pp 3, 35

[Text] In their determination to save the national coffee industry from disaster, the members of the High Level Committee of the Coffee Forum are looking for endorsement and support from the various political factions represented in the Constituent Assembly.

They stated that in the course of the present week they expect to meet with representatives from other factions after they meet with those from ARENA [National Republican Alliance] and from the Christian Democrats.

They added that, as it is generally understood, the purpose is to make them aware of the delicate and dangerous situation in which the coffee industry finds itself due to the lack of appropriate support from the government.

An example of this, they said, is the fact that despite its having been foreseen, the expiration date of last 30 September was allowed to pass without the adoption of measures to authorize even the loans based on contracts that are urgently needed by the majority of coffee growers, who are the small and medium-sized growers, for the harvesting of the crop that has almost begun.

It was pointed out that at the above expiration date the chattel mortgage loans also expired, for which reason it was necessary that INCAFE [National Coffee Institute] buy 100 percent of the crop so that the coffee growers could meet these obligations.

As of the end of the month, they added, only 50 percent had been bought from them and it was learned later that INCAFE will only buy 10 percent more, to reach a total of 60 percent. "With 50 or 60 percent," they said, "we will not solve anything, inasmuch as we still have a surplus of coffee left that we do not know what to do with, since it is well known that INCAFE warehouses are filled to the top with coffee bought previously for speculative purposes."

A Million and a Half Jobless

The committee members said that they wish to make the representatives to the Constituent Assembly aware of the human drama created by the passivity of government authorities in failing to help the producers with loans.

This drama is that of roughly a million and a half peasants who are facing the possibility of not working in the harvest when a new agricultural year begins without the contract loans--90 colons per quintal--having been authorized for the small producers, they said.

"A million and a half," they added, "is equivalent to a third of our country's total population and it is not right to condemn them to suffer hunger and misery because of the irresponsibility of officials who act more out of capriciousness than ignorance."

Finally, they said that they expect to obtain the fullest sympathy from the people's representatives in the Constituent Assembly, with the objective of finding a definitive solution to the chaotic situation that was caused primarily by putting only one government agency in charge of the marketing of coffee, even though it has been demonstrated that this agency is acting without experience, producing as a result the weakening of the coffee industry and of the economy in general.

9907

CSO: 3248/179



## INCENTIVES GRANTED TO COFFEE, SUGAR, COTTON INDUSTRY

San Salvador LA PRENSA GRAFICA in Spanish 9 Oct 82 pp 5, 15

[Text] Fifty million colons are available for the collection phase of coffee production, the president of the BCR (Central Reserve Bank), Mr Alberto Benítez Bonilla, announced yesterday.

He also outlined the measures taken by the Monetary Council to help the productive sector, especially for the country's basic production and export goods such as coffee, cotton and sugar cane.

## Loans for Coffee

The credit policies for coffee, said the president of the BCR, are drafted during February and March of each year: loans to coffee growers, credit for chattel mortgages, refinancing channels. Overall, the financing assigned to the coffee-growing sector totals 442 million, which, along with 65 million that this sector already had but that was not available, adds up to 507 million colons, and this does not include the credits assigned by the Development Bank and FEDECREDITO.

We have been able to solve the worrisome problem of the coffee growing sector by extending the refinancing credit and the expiration of credit in chattel mortgages. The most important thing is that the Mortgage Bank has 30 million and INCAFE [National Coffee Institute] has 20 million available for the harvest operations.

Thanks to the fact that the problem has been solved with internal funds, he added, some transfers have been made to the Mortgage Bank from other banks and from INCAFE's own funds, and the coffee growers should not have to worry anymore about loans for the coffee harvest.

## Arrangements for Selling the Coffee

He also reported that the National Coffee Institute is doing all it can to speed up sales in new markets so that the growers will be able to receive their revenues and pay off a good part of the chattel mortgages, thus reducing their financing costs.

## Sugar Cane Cultivation

Regarding this crop, the president of the Central Bank reported that a small adjustment in relation to time schedule has been made for the sugar cane growers.

Regarding another matter, he stated that the coffee growers were asking that the financing period of the first planting of sugar cane, which is now set at 18 months, be increased to 30 months, alleging that the income produced in the first year is not adequate, for which reason the coffee growers lack incentive. "We argued with them," he said, "and made them understand that we do not see any justification for this, since during the first year the sugar cane yields more, produces more." What is really happening--he claimed--is that there are other reasons why they are requesting this, especially because of the uncertainty. [as published]

"The BCR is eager to provide incentives for this crop." Benitez Bonilla said, "and we are going to finance them. 1,620 colons per manzana, and today we will give them 50 additional colons as an investment credit payable in 30 months. We believe that this will offer an adequate incentive and will satisfy the petition in part.

## Cotton Problem Solved

This problem is already solved, he announced. The BCR found fairly preferential long-term financial sources and with this the default in the cotton sector, which reaches the sum of 70 million, was solved. What was said before has allowed them to lower the financial costs. Besides, the price of cotton has already been guaranteed. For those who plant on their own land it is 75 and for those who lease the land, 80. This guarantees them the cost of planting the cotton.

All the above is part of a financial scheme that the Monetary Council has adopted in order to solve a series of financial strangulation problems that have been affecting the country's productive sectors, concluded the president of the BCR.

9907

CSO: 3248/179

## COARD CITES WORLD BANK REPORT ON THRIVING LOCAL ECONOMY

St Georges FREE WEST INDIAN in English 16 Oct 82 p 1

[Text] GRENADA's national debt is one of the lowest in the world, and the country was one of the very few in the Western Hemisphere that continued to experience per capita growth last year, said Deputy Prime Minister Bernard Coard, at a press conference Thursday.

His statements were based on an economic memorandum on Grenada, prepared by a team of World Bank experts who spent two weeks here literally "covering the island".

Min. Coard described the memorandum as highly favourable in its assessment on the Grenada economy since the March 13, 1979 Revolution.

The report pointed out that the People's Revolutionary Government (PRG) after the Revolution "inherited a deteriorating economy, and is now addressing the task of rehabilitation and laying the foundations for future growth." The PRG's objectives, it said, are centred on the critical development issues and touch on Grenada's most promising developing areas.

In agriculture, the PRG has moved on several fronts to correct the "malaise" that afflicted the sector, has enhanced and upgraded extension services and technical assistance to individual farmers, and has been providing larger flows of financial assistance for banana and cocoa rehabilitation, the report said.

It explains that the PRG has financially assisted private co-operatives of small

farmers, provided fertiliser and markets for farm products through the Marketing and National Importing Board (MNIB) it has set up and has also built or rehabilitated some 100 kilometres of feeder and main roads between 1979 and 81.

"The development of agro-industry offers promise," the report said, pointing out that fruits and vegetables, which were often lost through spoilage, can

now be processed at the agro-industrial plant established by the PRG.

This gives incentive for many full-time and part-time farmers to produce more, and the agro-industrial plant has exported about 50 per cent of its 1981 production and offers scope for expansion, the report said.

It pointed to forestry as another promising sector for import-substitution and possible exports, and fisheries as offering good growth prospects based on exports and domestic market expansion.

The PRG's efforts to revive the tourist industry through a public relations campaign, did not go unnoticed. The report noted that Grenada now has no airport capable of accommodating wide-body aircraft, nor night-landing facilities, and said that the completion of the international airport in 1983 or 1984 will alter supply conditions, meaning as Min. Coard explained, more tourists coming.

Grenada's export of furniture and processed foods has been increasing rapidly since the Revolution, and the production and exports of garments "have increased impressively," the report said.

It noted that construction, "spurred by public investment programmes,

particularly the construction of the international airport and the road programme," had experienced the highest growth rate in the economy, and that construction had also stepped up in education and health.

Since 1979, it said, the PRG has stepped up its programme of infrastructural development, and had established the Ministry of Construction and Public Utilities to implement and monitor its policy for infrastructural development.

It listed the international airport at Point Salines, as the most important of the infrastructural works in the Ministry; but said the roads being constructed and rehabilitated and the 130 kilometres of road the PRG expects either to construct or rehabilitate this year, costing around \$19 million, were also important aspects of infrastructural developments.

Grenada's total capital expenditure, which was mostly in construction, was \$39.9 million in 1980, \$79.2 in 1981, and the projected figure for this year is \$98.2 million.

The emphasis placed on the preparation of planning, evaluation, implementation and monitoring of construction projects through an

expanded planning unit at the Ministry of Finance and Planning was noted by the WB.

Construction in education, housing, and health did not go unnoticed. Over \$5 million has been spent in expanding educational facilities throughout the country, and another \$9.6 million is earmarked for further expansion, the report noted.

It pointed to the Sandino prefabricated housing plant, with a capacity to produce 500 houses each year, that is soon expected to become operational, the house-repair and low-cost housing programme, the upgrading and improvement of the General Hospital, and the construction of health centres to decentralise health care.

The PRG "has sought

to encourage private sector confidence in a number of ways," the report said, and listed these as the regular consultations between the PRG and the private sector; the incentives the PRG continues to provide such as duty-free concessions and tax holidays; and through the Qualified Enterprise Act and Hotel Aid Ordinance, and the drafting of an investment code.

The WB reports that Grenada experienced real growth in its gross domestic product of 2.1 per cent in 1979, three per cent in 1980, and an estimated three per cent in 1981.

Min. Coard added that Grenada's inflation rates has been 6.45 per cent for the last 12 months, and this has been one of the lowest in its history.

CSO: 3298/107



## EDITORIAL HAILS SELF-DETERMINATION FLOURISHING IN GRENADA

St Georges FREE WEST INDIAN in English 13 Oct 82 p 4

[Editorial]

[Text]

THERE has been much talk in the Caribbean over the years, about the independence of Caribbean states. Unfortunately, several of the region's political leaders have led the masses of their countries to believe that the mere granting of all the legal and political documents breaking the colonial bonds, bears some sort of relationship to genuine independence.

For many Caribbean states, independence has meant only the breaking of the political chain with the colonial power, leaving the economic, legal, penal, social and cultural chains, very much intact. The very people who controlled the main levers of the economy before independence still continued to do so afterwards. Most importantly, however, the powers which controlled the very shape of the local and foreign policies, and which determined every major facet of the societies, continued to wield their might at will.

The Grenadian Revolution, like the Cuban Revolution before it, has identified as one its most fundamental principles, the right to self-determination. Grenada has, since 1979, been strong in its insistence that it has a right to determine its own way forward, without interference from anyone. Likewise, Grenada has insisted that it will allow no one to determine which countries it should seek to consider its friends, and which its enemies. This position has caused quite a stir in several quarters.

The normal situation in the past has been for small Caribbean states always to remind themselves of their size and their dependence on the capitalists for their very survival. They must

not "rock the boat". Grenada has broken this tradition. It has dared to speak out in both regional and international fora on issues relevant to the well-being of small poor states like itself, without fear or favour.

The clarity of Grenada's stance on its self-determination, and its insistence on choosing its own friends, have greatly upset its many neighbours, who desire to sell their very souls for aid in whatever form or fashion, irrespective of its many consequences for the plight of the masses of these countries.

One recognises that the desire of many Caribbean leaders and newspapers to "play on Grenada's station" stems more from a deep-seated desire to see Grenada join the ranks of those who go cap-in-hand, lowering before the tables of their masters, and accepting whatever is offered.

Grenada's bold stance, however, has been making great impact upon the freedom-loving people of the Caribbean, who are recognising that the Grenada model seeks to bring about the only true and lasting independence in the English-speaking Caribbean. More and more, the masses of the Caribbean would begin to challenge the very bases on which their leaders continue to base their opposition to Grenada.

The desire to be a proud, self-determined, genuinely independent, albeit small, poor state, cannot and must not lead Caribbean states to divide themselves because it is in the interest of some external power. The primary interest of the Caribbean must be its own self-determination, even at the risk of much-needed aid. Only in this way will the sovereignty of Caricom be truly respected.

CSO: 3298/106

## PROCEEDINGS OF PUBLIC WORKERS UNION MEETING REPORTED

St Georges FREE WEST INDIAN in English 9 Oct 82 p 7

[Text] THE Public Workers' Union (PWU) has been holding a series of "special general meetings" in some parishes, the last of which was held in St. George's, Monday.

This "special general meeting" brought together PWU members in St. George's to discuss the National Insurance Scheme (NIS), membership and "procedures for the conduct of elections of officers for the 1982-83 term".

A draft of the "procedures" was distributed to members for discussion, and additions and corrections were made,

The same was done at "general meetings" held in St. John's and St. Andrew's last week, and the draft was adopted at the same time, although this posed some problems at the St. George's meeting.

Some members felt that time should have been given before the draft was discussed. This was put to the vote, and the majority agreed to discuss it the same evening.

When it was clear that the intention was also to adopt the draft at the same meeting, without a final draft with the corrections prepared for discussion, some members again objected.

PWU's acting president Basil Harford then asked members to vote on whether the Management Committee should put together a new draft with the suggestions and prepare a final draft for submission or to add the corrections and suggestions to the draft and use it as a final working document without further discussion.

Some 30 members voted in favour of the latter proposal, but 27 abstained because, as one member put it, he was opposed to voting on a principle. Thus, came the highly unusual practice of adopting a draft without the corrections being added.

Another PWU member questioned how people in St. John's and St. Andrew's could adopt a proposal without knowing what changes would be made by other members discussing it afterwards, or how PWU members in St. George's could adopt the

same document without knowing the suggestions agreed upon by members in those other parishes.

Harford said another "Special general meeting" will be held in Carriacou soon.

The draft procedures for elections proposes that elections be held in different polling stations throughout the country and not at a general meeting as was previously attempted.

PWU members heard of the benefits of the NIS from NIS chairman Christopher Ram. A number were concerned about the amount it would cost them to upkeep the insurance they may have at present, along with contributions to the NIS.

Concern was also expressed about the seasonal workers, who because they are not fully employed, may take a long time before they meet NIS's minimum contribution for receiving certain benefits.

Harford reported that PWU had made a \$500 contribution to the Nicaragua Disaster Fund through the Trade Union Council, had paid a grant for part of the airfare for one member to receive medical training in Cuba, and had decided to assist PWU's last president Septimus Forsythe's family with expenses incurred through his death.

One minute's silence for Forsythe was observed.

CSO: 3298/106

## BISHOP MAPS FUTURE PLANS FOR PRODUCTIVE FARMERS UNION

## Remarks at General Meeting

St Georges FREE WEST INDIAN in English 13 Oct 82 pp 1, 7

[Text]

"THE lifting of the quality of life of the farmers must be the main concern of the Productive Farmers' Union (PFU)," Prime Minister Maurice Bishop told members of the union during the second general meeting at the St. John's Anglican School on Sunday.

Also present at the meeting were Minister of Agriculture, Forestries and Co-operatives George Louison, representatives of the Cuban National Association of Small and Medium Farmers (ANAP), Lazaro Perez Berdomo and Mederico Jimenez and a representative of the St. Vincent's Farmers Union.

PM Bishop told the farmers that they had a particular responsibility to see that agriculture proceeded along particular lines.

He disclosed that next year a national machinery pool will be opened and in the next few weeks and months, three more

agriculture training schools in Boulogne, St. Andrew's, in Six Roads, Carriacou, and in Flains, St. Patrick's.

The PRG has spent a lot of time and effort on new markets, he said, disclosing that the Soviet Union had agreed to purchase 500 tons of nutmegs yearly and for the first time Algeria had agreed to buy 100 tons.

He also disclosed that an agreement was signed with the German Democratic Republic (GDR) for tractors and that Cuban President Fidel Castro had promised a gift of 40 tractors for the farmers.

An agriculture aerial survey had just been completed by the Food and Agriculture Organisation (FAO) to try and zone those lands for the best possible use, he said.

PM Bishop identified some of the problems facing farmers as the



finding of new markets which offered a stable guaranteed price, mastering modern farm methods, utilising the many acres of idle lands and solving the problem of praedial larceny.

On praedial larceny, he said, persons were not only stealing crops but also taking away plants. "We believe very firmly that those who labour must hold the reigns," he said, adding that the Ministry of Justice was studying the problem of agricultural theft.

The FM called on the union to begin holding regular meetings with the Marketing and National Importing Board (MNIB) with a view to getting better prices for their crops and with the youth organisations and the unemployed so that they would become more active in agriculture.

Min. Louison said that the small and medium farmers were on their way to building a vibrant organisation. "The problems of recruiting more members must be dealt with in the coming months," he said.

For the coming year, he said, FFU's three main tasks should be improvement of the organisation's structure, reaching out to the rest of the farmers and that the union should take a more active part in the Revolution's programmes.

Last year July, at the FFU's first general meeting, Prime Minister Maurice Bishop disclosed that \$3.6 million would be set aside for roads from a \$4.7 million budget for small and middle farmers. About \$1.6 million of this would be spent buying the equipment necessary, and the other \$2 million would go on labour. Some 52 miles of road were identified for repairs.

But, the plan to rehabilitate the roads did not stop there. Last year the Caribbean Deve-

FFU's president Simon Charles said that out of the 52-mile road project, 41 miles of farm roads and eight miles of feeder roads being worked on was an achievement, bearing in mind that it took one year to complete three miles under the Eric Gairy regime.

He said the FFU developed links with 13 countries including Cuba and Nicaragua and was now a member of a regional farmers' organisation.

The union, with a membership of 1,254, has fallen short of its 4,000 target, he disclosed.

Bro. Charles said that with construction of its headquarters, FFU would be able to sell farm tools and supplies to members, hold training seminars and put an end to the rent bill.

ANAP's representative

Berdomo presented a large photograph of Prime Minister Maurice Bishop and President Fidel Castro to Bro. Charles.

The new executive which was elected during the morning session was installed by PM Bishop during the afternoon function. They include president Simon Charles, first vice-president, Gregory Hagley, second vice-president, Claudius Pierre, general secretary, Denis Lett and Harold Bhola.

#### Agricultural Station Plans

St Georges FREE WEST INDIAN in English 13 Oct 82 p 3

[Text] MINISTER of Agriculture George Louison has announced that the Mirabeau Agricultural Station will be the Ministry's research and development unit.

A new soil and plant diagnostic laboratory, work on which will begin in two weeks, will be set up at the station. The laboratory will make it possible to identify the nutrients in the soil, as well as those lacking, and to test plants to see their deficiency.

Min. Louison explained that before, it was necessary to send soil and plant samples to Trinidad for testing.

The United Nations Food and Agricultural Organisation (FAO), and the Cuban government will help provide some of the eight technicians who will work at the plant. FAO has also agreed to provide equipment for the laboratory, which should be operating by early next year.

Min. Louison also announced plans to set up at Mirabeau a national agricultural machinery pool and to run an effective tractor and training service for farmers.

By year end, 35 tractors are expected here from the German Democratic Republic, Japan and Cuba. A core of drivers and operators will be trained to use them, and farmers will be able to rent equipment from the pool.

By early next year, a national seedling centre to produce the best quality seedlings for farmers will also be set up at Mirabeau.

Min. Louison said the Ministry hopes during next year to institute a tools and equipment programme, through which it could buy equipment and sell to farmers at a cheaper rate.

The ministry also hopes to work closely with the Productive Farmers' Union (PFU) and through its extension staff to develop a closer relationship among small farmers, and to get them into commercial production and away from subsistence farming.

Mirabeau will also have a repairs and documentation centre, particularly to benefit small farmers.

Since the Ministry is trying to get farmers to produce more, then it has to provide a market for their products. The Marketing and National Importing Board (MNIB), Min. Louison said, is negotiating with a number of agencies, including the Caribbean Agricultural and Technical Training Company, to get markets for the farmers' produce.

Farmers are also being encouraged to produce non-traditional crops such as egg plants with a view to getting new markets, and providing raw material for the agro-industrial plant.

CSO: 3298/106

## AUSTIN, STRACHAN TO INAUGURATION OF NEW WATER SYSTEM

St Georges FREE WEST INDIAN in English 16 Oct 82 p 1

[Text] NEW water system, which will supply more than 700 residents of La Mode, Boca and Bon Accord in St. George's, was officially opened yesterday afternoon by Minister of Construction and Public Utilities, Gen. Hudson Austin.

The \$300,000 project, known as the La Mode Boca Water Supply System, was financed by the Caribbean Development Bank (CDB), the Central Water Commission (CWC) and the People's Revolutionary Government (PRG). It is capable of producing 30,000 gallons of water daily.

Scores of residents from the surrounding areas, from whom the idea for the new system originated, turned out for the opening, which was attended by Minister of National Mobilisation and Labour Selwyn Strachan, CWC secretary-manager Leroy Neckles and CDB's Infrastructural Division assistant director, Edmund Valmonte.

Gen. Austin said Grenada's water system is now better than it ever was and praised the CWC for its hard work in upgrading the island's water supply system.

Since the Revolution, he said, the CWC has been able to accomplish three major water projects costing a total of \$540,000: Peggy's Whim Distribution/Extension; the replacement of water mains in St. George's and the La Mode boca project.

Residents, mobilised by the St. George's North East Zonal committee, have played an instrumental role in implementing the project with voluntary work.

Noting that the people complained about the bad water supply at their zonal and workers' parish council meetings, Gen. Austin pointed out that the project's realisation is proof of the new democracy now being built in Grenada.

The CDB's financial contribution to the project was commended by both Gen. Austin and Min. Strachan,

The project's opening is "a great step forward for the CWC in fulfilling its objective of bringing more water to the Grenadian people, said Bro. Neckles.

He disclosed that, by upgrading the system, CWC has been able to "put some two million gallons of water in the pipes daily in less than one year." Based on CWC's analysis, the people are demanding 8.5 million gallons. While CWC is now capable of producing only some 6.5 million gallons.

Also addressing the opening ceremony were CDB's Valmonte, North East Zonal Committee representative Patrick Superville on behalf of La Mode residents, L.A. Purcell, who donated some money to the project.

The new system includes a small dam, two sand filters and a storage tank with an 11,000 gallon capacity. From the storage tank, runs 10,000 feet of four-inch pipeline, from which pipes to individual homes and standpipes are connected.

CSO: 3298/107



## FOUR LARGE FUEL STORAGE TANKS ARRIVE FOR NEW AIRCRAFT

St Georges FREE WEST INDIAN in English 20 Oct 82 p 1

[Text]

FOUR large fuel storage, tanks, spare parts and other materials for the international airport project in Point Salines, arrived here yesterday morning from Cuba, aboard the ship, "Bartolome Maso".

The ship carried a total of 263 tons of cargo for Grenada, together with general cargo for Guiana Bissau, Conakry and Angola, which will get eight fishing boats, among other things.

The four tanks, which will be sited on the airport the total capacity for 1.5 million gallons of fuel, which it will store for the entire island, Each tank weighs 63 tons and they will store diesel, gasoline, and aviation fuel -- Avajet and avagase for aeroplanes.

Ship captain Miguel Amaral Ravelo said it was the ship's first visit to Grenada, adding that "the crew is very happy to visit our brothers in Grenada."

He said the ship took five days to reach here and is expected to leave around noon today for its voyage to Africa, which is expected to take some two weeks.

Meanwhile, work on all sections of the airport continues to progress, according to project manager, Bob Evans.

Workmen are paving the final layer on some 4500 feet of the runway and first paving has already begun on the section of the runway across Hardy Bay, which had to be dredged and dumped.

Final grading is now being done to the section of the runway close to the Calliste primary school, to have it prepared for levelling and paving.

Work is also being done on the foundation to the terminal building and on a new two-mile access road to the airport, through Calliste he said.

## BRIEFS

BITUMEN SHIPMENT--SOME 9,000 drums of long-awaited bitumen arrived here Saturday, for the international airport project, and capital projects undertaken by the Ministry of Construction, such as the Eastern Main Road and feeder roads. The bitumen was expected since June, and during that time RC 2 was substituted. This has caused a lot of problems because it can only be used in dry season, since it takes some days to dry. Bitumen is no such problem because it dries quickly, so the work on road projects is expected to run smoothly now. Community work is also expected to pick up. Work in most communities had come to a standstill because of the shortage of bitumen. Minister of Agriculture George Louison ex- [Excerpt] [St Georges FREE WEST INDIAT in English 13 Oct 82 p 3]

CSO: 3298/107

## HOSPITAL CRITICIZED; CHILDREN DYING FROM MALNUTRITION

Bridgetown SUNDAY ADVOCATE-NEWS in English 24 Oct 82 p 3

[Text]

GEORGETOWN, Guyana, Saturday, (CANA) — Concerned doctors here are pressing the Guyana Government to do something about what they say is the deteriorating state of health services at Georgetown's main Public Hospital, including an increasing number of deaths from malnutrition among children.

The doctors who wrote Health Minister Richard Van West Charles met him on Thursday and listed among their complaints worsening shortages of drugs and medical supplies.

The doctors said they suggested that patients should be allowed duty-free importation of drugs and medical supplies required for personal use which would be a great help, particularly to the chronically ill.

They said, too, that nutrition at the hospital was in a sad state ".....not only were the meals monotonous, unpalatable and inadequate, but special patients, including premature (babies), sick children, diabetics and catobolic patients, were being inadequately catered for."

The doctors said in a statement that the Minister indicated that the ministry was aware of occasions of "medical negligence", which had led to the establishment of a Medical Audit Committee at the hospital.

Van West Charles said that efforts by the Ministry to

ensure an adequate supply of drugs, together with commitment of medical staff to the institution would ensure an improvement in the level of patient care", they stated.

They added: "He called on the staff to keep a watchful eye and avoid wasting drugs at this period when the country was faced with so many economic problems."

The Minister also asked the staff to make an objective analysis of the perceived problems of non-acceptance of milk due to the constant changing of brands and to present their findings to the Ministry, the statement said.

The doctors said that increasing number of children were dying in the malnutrition ward — 11 having died in September and the October figure had already exceeded that.

"The greater part of the problem", they said, "is rank malnutrition on a national scale, a reflection of the deepening socio-economic crisis gripping the working class in Guyana."

The group listed some of the most urgent needs of the hospital as: improved food, a committed effort to tackle malnutrition, a supply of basic drugs and medical supplies at all times, improved laboratory services and facilities, and increased nurses' salaries and meal allowances to reflect cost of living increases and inflation.

## WORKERS FEDERATION CRITICIZES GOVERNMENT POLICIES

## Warns Against War

PA110518 Paris AFP in Spanish 0025 GMT 10 Nov 82

[Text] Tegucigalpa, 9 Nov (AFP)--The General Workers Confederation (CGT) today declared its concern over the mobilization of troops on the Honduran frontier with Nicaragua and the threat of a war between the two countries, and at the same time asked the Honduran government to comply with its much-touted policies of dialogue and peace.

Oscar Escalante, the vice president of the CGT, pointed out that in an eventual war between Honduras and Nicaragua "the dead would come from these two neighboring countries, while the political booty would be fought over by the United States and the Soviet Union."

The labor leader also pointed out that the Honduran people cast their ballots a year ago, "not to back a warlike attitude, but to insure peace and social welfare."

Escalante said that the CGT, the most militant labor union in the country with a membership of about 200,000, is concerned about "the mobilization of armed troops on both sides: the national guard on the part of Nicaragua and the infantry battalions on the part of Honduras."

On the dangers of war, the labor leader said that "although it has been reported that Honduras is being used to invade Nicaragua, it is no less certain that Nicaragua could attack our country."

"In both cases," he said, "we would be playing the game of imperialist interests: on one hand Honduras would be serving the United States, and on the other Nicaragua would be complying with the Soviet Union's tactics transmitted through Cuba."

Escalante added that Honduras and Nicaragua are brother countries "that do not want war," and that instead of arms what they need is milk to feed their children.

Finally, the labor leader asked the Honduran government to take stands in keeping with what it has preached and suggested that it increase its efforts to achieve a prompt dialogue between leaders of the region.

#### Cites Government Failures

PA142238 San Pedro SULA TIEMPO in Spanish 6 Nov 82 p 26

[Text] In a document outlining its position on the country's current situation, the General Workers Federation (CGT) has complained that the incumbent civilian administration has failed to place the country on the road to democratization, liberty, development and justice.

The document, which was issued by the seventh CGT Congress, held recently in Puerto Cortes, explains why the CGT leadership and rank and file hold this view.

It begins with a statement outlining the CGT's position on the region's crisis, which, it says, "is exemplified by the violence, terrorism and the current warlike climate in our country and the region."

The CGT then analyzes the political situation, noting the continued existence of "an oligarchic system, wherein a minority wields political, economic, cultural and social power while the vast majority of the people, underprivileged, endure repression and are deprived of their fundamental rights and freedoms." It adds that "the antiterrorist law and the creation of the civil defense committees are unacceptable."

In regard to the economy, the CGT voices concern over the high unemployment and underemployment rates, the increase in the foreign debt, the balance-of-payments deficit and the closure of various sources of employment.

The document adds that "the housing deficit has not been tackled, the situation in the rural area is becoming even more critical and the peasants are faced with poverty, all of which are resulting in rising crime."

The CGT asserts that we are suffering the consequences of foreign influence and of "the confrontation of the Soviet and American blocs, which are trying to secure a hegemonic presence" in the area.

It also criticizes "President Reagan's policy, which seeks to turn our country into a spearhead of aggression, and the IMF's demand that an anti-popular policy be implemented as a condition for granting assistance."

"The political forces--i.e., the parties, the church, the armed forces, the managerial offices and so forth--have not taken on their proper role of orienting the government and demanding that it implement policies that would deepen the democratization process," the CGT says.



## Commitment

The organization, which includes several Honduran labor unions, undertakes the "commitment to support democracy, in order to promote respect for the workers' rights and freedoms; to struggle for peace, which is threatened today by the prospects of a holocaust in Central America; to promote overall development within a climate of social justice; and to continue the process of renovating and reorganizing the trade union movement."

It also proposes the "implementation of a joint strategy by the labor federations to achieve these objectives through an alliance with democratic forces."

According to the CGT, every sector must play a role in achieving these goals. Therefore, it exhorts "the authorities to fulfill its sovereign and popular mandate; the armed forces to safeguard the rights and freedoms of the workers and their organizations; the church to assume the role of the people's spokesman; the media to report the facts; and the students, professionals and technicians to struggle for a democratic society."

CSO: 3248/237

## CHRISTIAN DEMOCRAT LEADER SCORES GOVERNMENT

PA110431 San Pedro SULA TIEMPO in Spanish 8 Nov 82 p 41

[Excerpt] San Pedro, SULA--The struggle of the Honduran Christian Democratic Party, PDCH, "against the submission and subservience of the country before the United States" was mentioned this weekend by Alfredo Landaverde.

Landaverde, who attended the inauguration of the second regional meeting of the PDCH in this city, reiterated the charged of a war against Nicaragua "plotted by the United States and coordinated, in Tegucigalpa, by U.S. Ambassador John Dimitri Negroponte."

He added that "we are struggling against the submission and subservience of the country before a foreign power, and we have to state it clearly before the United States, which is the country that gives the orders, the country that dictates the political stand and the political path of the Honduran government," he added.

"I never thought that with this government we would be in a worse situation than during the Paz Garcia government, Melgar's government or Lopez Arellano's government, as far as submission before the interests of the United States is concerned," Landaverde said during his speech that lasted approximately an hour.

Alfredo Landaverde, a strong and constant critic of the current regime, said that no U.S. citizen, not even in the U.S. Congress, has joined Deputy Carlos Montoya in defense of Negroponte. "It is incredible how far we have gone; this is malinchismo [consorting with the enemy]--Hernan Cortez and the submission of the Mexican malinches," Landaverde added.

CSO: 3248/237

## DEPUTY'S CHARGES OF SUPPORT FOR SOMOZISTS VIEWED

PA131825 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 12 Nov 82

[Radio America's "Editorial Opinion," read by news director Rodrigo Wong Arevalo]

[Excerpts] The Honduran armed forces and government have been placed in a very delicate position because of Deputy Modesto Rodas Baca's charges at the National Congress that the Honduran army is protecting and collaborating with the former Somozist guardsmen who live along the Honduran border with Nicaragua. Even though the foreign minister sought to belittle this at yesterday's news conference when he said that the young liberal deputy's opinion was simply his own personal view and did not reflect the responsibility of either the government or the state, it can't be denied that Rodas Baca, although a bad, inexperienced and not too brainy politician, is still a deputy to the National Congress, and as such he represents the people.

Not even the charges made by a former military officer [reference to Lt Col Leonidas Torres Arias, former commander of the public security forces] could hit the country this hard, because they were statements by a resentful and frustrated officer. But coming from a deputy, who every day warms a seat in the National Congress, who belongs to the party currently in power, this charge against the government has been a very dangerous blow to the country's stability. This is why we would like to examine, with the thoroughness and responsibility that this case deserves, not whether we should support the Sandinists or the former Somozist guardsmen. Rather as honorable Hondurans, we are interested in defining the responsibility in an issue that involves both the army and the government and, therefore, definitely affects the country's stability.

Since Honduras has an institutional system, it is presumed that in matters of foreign policy and sovereignty the armed forces are strictly subordinate to the will of the ruler, who in this case is the constitutional president of the republic.

So even if Modesto did not mean to say what he said the way he said it-- because he was unaware of the consequences of making such a charge in the

Chamber of Deputies 2 days ago, or because he is not intelligent enough to grasp the scope of what he was saying, or, to put it more simply, because he did not think that what he was saying during an emotion-charged moment when he wished to stand out would have such a serious impact not only against the army but against the constitutional government and the country's stability--his statement in the National Congress reinforces the daily preachings of the Sandinist regime's publicity organs. It confirms what several international publications, such as the U.S. magazine NEWSWEEK, have charged. These publications are constantly bombarding international public opinion with the farce that here in Honduras, both the army and the government are linked with the counterrevolutionaries who want to ruin Managua's new order. When heard only from the lips of Sandinist representatives or rumored in U.S. newspapers and magazines, this is taken to be just a blunder. But from the lips of a Honduran deputy, a representative of a body as prestigious as the National Congress, the accusation gains serious and noteworthy overtones, which will cause an explosion in the international arena.

The fact that there are former Somozist guardsmen living as refugees along the border area is very well known. This can be confirmed by the representatives of the UN International Refugee Committee. That the Honduran army and government are doing little to control these former Somozist guardsmen is also true. Now, to depart from that point to say that both the government and the army support and protect the former Somozist guardsmen is quite different. This is a serious matter, which seriously compromises our international reputation.

Foreign Minister Paz Barnica, who is trying to belittle Rodas Baca's charge, is nonetheless hastily traveling to Nicaragua today to deliver a message from the Honduran government to the Sandinist officials, assuring them that Honduras has not even considered the possibility of attacking Nicaragua and its new rulers. This new attitude by the Honduran government is very positive and may somewhat erase the bitter aftertaste left by the young liberal deputy's rash remarks. It would be worthwhile if, as an international testimony, Honduras gave assurances that nobody here is planning to attack Nicaragua. We are sure that if the Honduran government gave this international testimony in Managua, the Sandinists' ploy, which calls for constantly fabricating stories about invasions being launched from Honduras, would be completely revealed as a publicity stunt.

CSO: 3248/237

## ENVOY ON CANADA'S WILLINGNESS TO RECEIVE REFUGEES

PA130355 Tegucigalpa LA TRIBUNA in Spanish 11 Nov 82 p 16

[Text] Pierre Tanguay, the new Canadian ambassador in Honduras, yesterday said that his country is willing to receive some of the foreign refugees who are in Honduras territory in an effort to help in solving the big problem which these immigrants present to the country.

He said that not only can Canada take Salvadoran refugees but also Nicaraguans despite the fact that most countries refuse to take Nicaraguans, particularly those refugees who were members of Somoza's national guard.

The Canadian diplomat said his government has not been indifferent to the refugee problem in Honduras. He stressed that Canada has contributed \$2 million and that this aid will be increased to \$3 million in the next few months.

He added that Canada will continue to help the Honduran government through the implementation of development projects for small communities which have been carried out in the country's rural sector for the past 8 years.

Regarding the new constitutional government, Tanguay said that after 9 months of the Suazo Cordova administration the most important achievement has been the strengthening of the democratic process and its open and frank dialogue in Central America.

However, he said: "The Honduran government alone will not be able to solve the problems affecting the region. The solution must be arranged by all because it is of a political nature at all levels."

In conclusion, he said that the Canadian government and people have been following the Central American situation for the past 5 years because this is an area that is facing political, human and economic problems. He noted that the Canadians are willing to help solve these problems.

CSO: 3248/237



COUNTRY SECTION

HONDURAS

BRIEFS

AGREEMENT WITH COSTA RICA--A few moments ago the economic delegation of Honduras and Costa Rica signed a new bilateral trade agreement. The impasse caused by a disagreement over forms of payment has been overcome. Trade will resume normally effective 18 November. [PA141416 Tegucigalpa Televisora Hondurena in Spanish 0130 GMT 11 Nov 82 PA]

CSO: 3248/237

## FURTHER DETAILS GIVEN ON SEAGA'S REPORT TO PARLIAMENT

## Fiscal Gains

Kingston THE DAILY GLEANER in English 4 Nov 82 pp 1, 13

[Text]

DURING THE PAST TWO YEARS, the Government of the Jamaica Labour Party accomplished "the almost impossible task" of taking the country out of the deep economic crisis which it experienced in the last several years.

Not only that, but it continued "to negotiate successful financing packages for development plans, to attract new investment, to reduce unemployment, to increase its Tourism by over 20 per cent, to bring down inflation dramatically to modest single-digit figures, and, to keep the economy moving ahead."

"This is what we have done in two consecutive years," Prime Minister Edward Seaga said in his statement in the House of Representatives on Tuesday night.

And he quoted what 'Euromoney', the influential financial journal, in this year's assessment of the performance of 81 world economies, had to say of Jamaica:

"On the basis of performance this year over 1981, Jamaica is easily the fastest improving economy. Ranked 68th overall for the period between 1974 and 1982, it soars to 34th on the basis of this year's performance. From being the sick child of the Caribbean, Jamaica has passed through a period of political convalescence and is now showing signs of strong growth."

Said Mr. Seaga: "I do not wish to give the impression that it has been easy: it has been a fight, in fact, every inch of the way in some particularly sensitive areas. And it could not have been done without the faith we had had in the good sense and restraint of the Jamaican people, and the faith which we have regenerated overseas in our leadership".

Looking at "certain aspects of our performance in the second year of our administration," the Prime Minister said:

"We inherited an economy with a recorded balance of payment deficit of U.S.\$150-million for the fiscal year 1980/81. One year later, by the end of our first fiscal year 1981/1982, we were able to record a surplus of U.S.\$43-million — the first time this had been achieved since 1974.

"The Current Account deficit on balance of

payment is projected to be decreased from 16.2 per cent of G.D.P. in 1981/82 to 13.7 per cent in 1982/83, which is actually better than the 14.5 per cent target set under our agreement with the I.M.F.

"Two years ago, we were U.S.\$105-million in arrears in payment, for goods and services and other Current Account transactions. By March this year, we wiped out these arrears, nine months ahead of schedule, and we have remained, and shall continue to remain, up to date on payments for all current transactions."

"We reduced by half the Current Account deficit in the fiscal Budget—a deficit which had been running at an annual average of 4% of G.D.P.—and we will continue to improve on that performance until we once again achieve the Current Account surplus which is critical to the financial health of the economy and which had been achieved in all Budget programmes in every year until the years 1975 to 1980."

Mr. Seaga said that, in continuing the policies which contained inflation to 4.7 per cent in the first year, "we managed to keep the rise in the cost of living for that 85 per cent of the population whose basic needs basket is used to measure inflation, to 6.7 per cent so far this year."

But while the stabilizing of the economy had been "a solid achievement", the Prime Minister went on, "it is a matter of national survival that we have to continue to structurally adjust our economy to make it a net earner of foreign exchange."

"THE STRUCTURAL ADJUSTMENT of the economy is therefore one of the major undertakings which we have initiated in earnest in our second year of office. This programme is perhaps the most fundamentally ambitious re-direction of the economy ever undertaken by a Government of Jamaica. It is for this reason that the programme is cast over five years."

"The World Bank has just concluded an assessment of the first year of the programme and has indicated a willingness to commence negotiating a second-year structural adjustment loan based on the substantial progress being made."

Mr. Seaga said that what the Government began doing this year was "to look at each sector of the economy to determine what were the areas within it

which have the potential for achieving maximum growth with identifiable markets and employment potential; and to institute policies and programmes to stimulate investments in these sectors, diverting productive capacity in these directions".

Going into details, he said that studies of the immediate potential of the garment and footwear industries, in the Manufacturing sector, had been concluded, and "in a couple of months we will begin the construction of the first factories and the training of operators, supervisors and managers for major expansion of the garment industry to involve local and foreign investors under a 4-year programme."

A sum of U.S.\$18-million (J\$32-million) will be spent to train 12,000 skilled workers over three to four years.

The programme of structural adjustment also called, among other things, for the progressive reduction of the list of restricted imports, using the imposition of import duties on these imports where necessary to protect local production for longer period of adjustment to competition.

Mr. Seaga said there were some who interpreted the de-regulation of the economy as "a licence for exploiting the system to their own selfish advantage," and the illegal importation of unlicensed and un-Customed goods became a factor of concern which threatened to undermine the orderly progress of the adjustment process and the Recovery Programme.

"The steps we have taken to deal with this — the establishment of container stripping stations, and tightening up of the Customs regulations— have been effective. The intake in revenue from Customs between April and September this year has increased by 40 per cent and is now \$15.7 million more than for the same period in 1981."

"With the new regulations requiring informal commercial importers, our higglers, now being organised, and the major container stripping station to open next year, the avenues for illegal imports are being slowly but surely choked off."

## Agricultural Development

Kingston THE DAILY GLEANER in English 4 Nov 82 pp 1, 13

[Text]

AGRICULTURE, with the traditional export crops now poised for recovery and non-traditional crops ready for expansion, is set for major development, according to the Prime Minister, Rt. Hon. Edward Seaga.

Making what he described as a "rather full treatment" of Agricultural developments here, Mr. Seaga set out in his statement to Parliament on Tuesday night the various areas in which progress is envisaged, as follows:

SUGAR: A complete plan of reorganisation has been prepared which, if properly implemented, can lead to the industry becoming viable. Substantial investment in machinery and spare parts, upgrading of factories, improvement of irrigation systems, better cultivation practices including greater availability of fertilizer, have provided the base for an upward movement in produc-

tion next year to 220,000 tons.

**BANANAS:** A big boost has been the \$30 million figure 2,500-acre joint project in St. Thomas and St. Mary between the Government, Jamaica Banana Producers Association, Commonwealth Development Corporation, and United Brands.

A further 4,000 acres of prime land have been identified for cultivation. Of this acreage, some 2,000 are under discussion with an Israeli group for cultivation in St. Thomas and Portland.

A further 11,000 acres have been identified for development in St. Mary and St. James.

A sum of \$30 million is required to finance these projects to complete the financing of the maximum cultivation of bananas throughout the island.

A yield of 130,000 tons of exportable fruit is expected to come from this development which will create the base for the revival of the industry from its present level of exports of 21,000 tons.

**COFFEE:** 10,000 new acres of Blue Mountain coffee are planned, in addition to the 1,000 acres already in production. Of this new acreage, 3,000 in St. Andrew, St. Thomas and Portland have already been financed under a project now being implemented.

A second project costing \$80 million and covering 3,500 acres in western Portland is planned for further expansion, the financing of which is being finalised with the Overseas Economic Co-operation Fund, of Japan.

Lowland coffee is also to have an expansion programme of 3,000 acres, to be financed by the European Development Fund.

**COCONUTS:** A seven year expansion programme of 5,000 acres per annum to put 35,000 acres of new plantings of dwarf varieties in cultivation is underway.

**RICE:** A 60,000-ton mill is to be established in St. Elizabeth next year, aimed at satisfying the entire national requirements. In the beginning, the paddy will be imported from the United States to be thrashed and milled here, while local production will be put in place.

**HONEY:** Bee colonies are to be mobilised to

increase production from the current output of 1,000 tons per annum to 5,000 tons over the next five years.

**FOOD CROPS:** Possibilities for growth are seen in the marketing of food crops for export. There is a big market in the United States for plantains, yams, dasheens, mangoes, and melons, of which marked Jamaica has only a small share.

Mr. Seaga also spoke of the increased farm credit available to farmers with the establishment of the Agricultural Credit Bank which will have a lending capacity of \$47 million in its first year of operation.

Reference was also made to the "very special incentives" offered to the agricultural sector by way of full relief from Income Tax on all agricultural production except livestock (which will have another set of incentives), as well as duty-free entry for farm vehicles.

"This rather full treatment of agricultural developments has been made in tribute to the real progress being made by the Minister of Agriculture and his staff in building a broad foundation for growth," the Prime Minister said.

"I have worked very closely with this Ministry throughout the year and I'm myself excited by the new prospects of lifting Agriculture out of the narrow confines of sugar, bananas and a limited range of food crops.

"Jamaica's varied climates and soil types are at best blessings to be reaped; at worst challenges to be overcome. Our real future is in the land. Factories and resort developments can only serve a narrow population base. It is the land which must support the majority of our people.

"Yet the small range of crops customarily cultivated can only provide limited support for the large number of farmers.

"A much wider range of production, opening new opportunities, is vital to a really vibrant agricultural sector — horticulture, shrimps, winter vegetables, sunflower, honey, among others; and the expansion of non-traditional crops — coffee, coconuts, cocoa, citrus, yams and other ethnic foods.

"These point to a future of real promise, if we grasp the challenges, not the problems."

## NEW BOARD OF NATIONAL COMMERCIAL BANK ANNOUNCED

Kingston THE DAILY GLEANER in English 4 Nov 82 p 1

[Text] Mr. Christopher Bovell, attorney-at-law, is the new chairman of the board of National Commercial Bank, members of which were announced by the Prime Minister, Rt. Hon. Edward Seaga, yesterday.

Other members of the new board, which replaces the one whose members resigned on Tuesday at Mr. Seaga's request, are:

The Hon. Carlton Alexander, Mr. L.G. Grindley, Mr. Carol Ramsay, attorney-at-law; Mr. Harold Milner, Deputy Financial Secretary; and a worker representative to be nominated by the Staff Association of the bank.

Mr. Alexander was a member of the former board whom the Prime Minister had previously indicated would have been re-appointed because he was absent during the negotiations for the purchase of the Terra Nova Hotel by the bank.

Mr. Grindley, another member of the former board, was said by the Prime Minister to be the only member of that board who had objected to the transaction which earned his displeasure and led to his request to the board members to resign.

A news release from the Office of the Prime Minister, at Jamaica House, announcing the names of the new board of directors of the Government-owned bank, recalled that last week Tuesday, October 26, the Prime Minister had called on the then members of the board to resign immediately without conducting any further business on behalf of the bank, because they no longer enjoyed his confidence.

"This decision was taken by the Prime Minister following the result of investigations he had requested the Attorney-General to conduct in respect of the purchase by N.C.B. of the shares of Memphis Catering Ltd. as owners of Terra Nova Ltd." the news release said.

At that time, the Prime Minister had said that from the investigations conducted so far, "it was abundantly clear that the board of the N.C.B. acted without due regard to prudent and proper business and financial practices in relation to the purchase."



Mr. Seaga had also stated that the transaction had become "the subject of public controversy in which the board had taken a public position before all the factors necessary for a proper assessment were within the knowledge of the board."

That situation, he said then, "must place the board in an awkward position where objectivity may be difficult and certainly one in which confidence in its objectivity will be inevitably weakened."

"The new board will now have the opportunity to examine the transaction objectively," the Prime Minister said yesterday.

CSO: 3298/109

## WARNING OF DANGERS FROM SOUTHERN BORDER PENETRATION

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 1 Oct 82 p 5

["By Way of Editorial: Dialog" Column: "Now, Will They Watch the Borders?"]

[Text] For many years now we have been advocating in this column the necessity for exerting a close watch on our border in order to prevent the immense flow of immigrants who are coming into our country without any hindrance.

This migratory flow--mainly of Guatemalans--is, according to the experts, a necessary evil because, at times when cotton is picked and coffee harvested, manual labor is required and who else is to supply it except the foreigner? Having to choose between an illegal act on the one hand and hunger on the other, they opt for the paltry wages which barely allow them to satisfy their basic needs. This happens because our nationals, in spite of their own precarious situation, hardly ever agree to work for less than the minimum wage. That stand of course ends up being Utopian because the rancher manages to win out over the workers.

Crossing the border at some point along the line is a daily occurrence. The situation is coming to be one in which ranches located only a few meters from the imaginary dividing line use Guatemalan manual labor exclusively. We are witnessing the invasion of subversive groups which are in collusion with reactionaries of our country. These groups have taken over our lands, mainly in the forest, for training camps where they are training personnel in guerrilla tactics so that afterward they can be sent out on conquests for Marxist-Leninist ideals. None of that is new. All that is common knowledge.

But the situation has been aggravated by crisis because now it is not just a question of Guatemala but of many other Central American countries which are engaging in "their fight" to establish a government regime which suits the masses better. That has tended to create a wave of immigrants fleeing from the civil wars in progress in their own countries. In a perverse way, this is now hurting not only our people's economy, chiefly that of the people of Chiapas, but also is causing problems regarding land tenancy, unemployment and housing and, what is more serious, is putting our national sovereignty in jeopardy to those who are making incursions into our territory. And we do not care whether they are military personnel or not, these armed men who are killing our countrymen.

All that has been said so far is not new nor much less a secret. What has happened recently is merely in line with our daily experience; what is strange to us is that the things which have been happening out there should now be given prominence.

Those who have been doing so certainly are alarmists, in order to counteract what all of you, we and they really know and have known all along. Our sovereignty along the southern border is in danger, but not any more now than it has always been.

Chiapas and a large part of the territory of Oaxaca State have been physically invaded by Central Americans. Their nationalities do not matter. Many certainly are fleeing from the "wars" which are being waged in their countries. Others are said to be persons of Communist affiliation, as surely are those who make incursions to massacre, who in vicious alliance with radicals, reactionaries, extremists and renegades are sowing terror, chaos and unrest in the southern areas. They want to make these into a communist outpost in American for the Island of the Caribbean.

Because something more important is now happening, therefore, we must decide to exercise a close watch on our border. Besides this, we must expel the mercenaries from down there and "comb" the forest of Chiapas which certainly will reveal to us many surprises....

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CSO: 3010/127

## CHIAPAS GOVERNOR URGES ACTION ON REFUGEES' STATUS

Mexico City EXCELSIOR in Spanish 7 Oct 82 pp 1-A, 15-A

[Article by Mario Ruiz Redondo]

[Text] Tuxtla Gutierrez, Chiapas, 6 Oct--Mexico must soon decide on the legal status of the 30,000 Guatemalan refugees located in Chiapas State. We must choose whether to grant them complete asylum or whether to send them back to their places of origin, Governor Juan Sabines Gutierrez urged today.

The state leader warned that, if they (the Guatemalans) stay in our country, "we are going to have a very serious social problem since it is quite certain that, after spending 3 to 6 months in Mexican territory, they are going to want land to work and that is impossible.

"I am respectful of the federal government's decisions. This problem belongs entirely to the Secretariats of Foreign Relations, Government and National Defense. All the complaints which come to me about invasions of Guatemalan troops into our territory I send on to National Defense and also inform Professor Enrique Olivares Santana," Juan Sabines Gutierrez explained.

The latter said that the constant incursions of military contingents from our neighboring country into the ejidos of Chiapas constitute a flagrant violation of our national sovereignty by the regime of Gen Efraim Rios Montt.

"They are hurting us," he said. "They have no reason to enter Mexican territory, but they do. It is probable that this is part of a policy of provocation. That could not be proved, but what can be said is that deeds speak louder than words. I have given details about what has happened. We are confident that the federal government will make a protest to Guatemala to see that this abnormal situation cease to exist."

He then emphasized that "if we continue on in the way we are now, in the space of 2 or 3 months the peasants of Chiapas will not be able to keep up their positive attitude toward their Guatemalan brothers because our resources will have been exhausted. Our peasants have welcomed the Guatemalans in a spirit of solidarity against the misfortune existing in their country," he stated in indicating, however, that affairs cannot go on indefinitely as they have been.

## Aid to the Refugees Becoming Exhausted

Juan Sabines Gutierrez said that the aid which the United Nations High Commission for Refugees and the Mexican Commission for Aid to Guatemalan Refugees are offering to these unfortunate people has been running out. "Recently my government helped them with medicine and food," he told, "but all resources presently available are insufficient."

"The Mexican peasants have helped them, and look on them with affection up to a certain point," the general explained. "The people of Chiapas, because of their ethnic affinity with the Guatemalans, have had an attitude of solidarity toward them because of their tragedy." "But if the conflict in Guatemala spreads," he persisted, "we will not be able to offer more aid because we are running out of resources."

"We need direct aid from the federal government to provide food for these people and for medical care because the littering which can be seen in many camps makes it possible that epidemics might occur. For this reason we must find a solution to the problem in short order."

Sabines recalled that several days ago the Mexican Foreign Secretariat had sent the Guatemalan Government a letter of protest concerning the invasions of that nation's soldiers into this region of our country, and noted that no satisfactory reply had yet been received.

He pointed out that despite the federal government's demand that these aggressions by Guatemalan troops cease, they had not ceased but on the contrary had become worse, as was shown by the last invasion on 29 September. This was reported yesterday by EXCELSIOR, giving details about an armed contingent which not only beat Chiapas ejido farmers but also kidnapped some refugees.

"What can your government do to provide better security for its inhabitants?" Sabines was asked.

"Unfortunately, that is not a matter for the state government. The problem is clearly a federal one; it is a matter of national sovereignty," he replied. "I would send a public force to the border if they ordered me to and if they gave me the means to do so. But at this time it is not possible for my own administration to take such action."

## Several Months of Attacks

"The problem is not new. We have been putting up with it for several months. The incursions by Guatemalan military personnel have become routine with them having no regard for Mexican sovereignty."

The governor assured us that he had checked out all the incidents and had informed, first the chief of the 31st Military Zone, Gen Alberto Quintanar, who in turn had informed the secretary of national defense, Gen Felix Galvan Lopez.



"What has the answer been?" was our next question.

"We have not had any answer," Sabines told us. "I repeat to you, as leader of my state, that I have confined myself to sending in the complaints from the members of the ejidos to the military authorities because they are the ones charged with watching over and preserving the national sovereignty.

"I want to say that Chiapas, in spite of the aggressions, is not afraid along any part of its border right now. There is no fear of a confrontation. There is tranquillity. Naturally that does not hold for the refugees, but among the Mexicans morale is good."

#### We Are Not Training Guerrillas

The governor was then told about the Guatemalan Army's arguments to the effect that there are centers for the training of Central American guerrillas in Chiapas, to which he responded: "That story is false. Here we have no training camps nor any Guatemalan guerrilla groups. There are none. That I can guarantee because the people of Chiapas themselves would have told me about it. I repeat that that certainly is not the case. We would never allow it."

"How much can the Central American crisis affect us?" we then asked.

"I am convinced that it can not do so in any way," Sabines answered. "In Chiapas we have problems, but there is no crisis; there is no reasons for this state to go through what the Central American people are now experiencing."

"That is basically because we have solutions in Mexico for our problems. We are the product of a revolution which offers solutions. We have engaged in granting lands and credits, and lastly we have solutions which cannot be seen among our neighbors to the south. Most definitely their problems will not have an effect on us," he concluded.

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CSO: 3010/127

## CHIAPAS PEASANTS TELL OF GUATEMALAN INCURSION

Mexico City EXCELSIOR in Spanish 6 Oct 82 pp 1-A, 10-A

[Article by M. Ruiz Redondo]

[Text] Tuxtla Gutierrez, Chiapas, 5 Oct--Tonight representatives of the Secretariat of National Defense and of the Chiapas State government, Alberto Quintanar and Juan Sabines Gutierrez, who respectively head up the 31st Military Zone and the state government, received a formal complaint made by peasants of the Agua Azul ejido. Their protest concerned a violent incursion by approximately 140 "kaibiles" [special Guatemalan antiguerrilla forces] who after kidnapping 10 Guatemalan refugees, beat and otherwise mistreated about 10 Chiapas peasants.

Apolinar Ruiz Gomez, the ejido manager, told our EXCELSIOR reporter about the incident: "It was about 3 o'clock in the afternoon. We heard the noise of a helicopter and suddenly we saw it in the air. Then in a few minutes it was in the middle of our community. We thought they were state government officials. Then we realized they were soldiers. When they disembarked, they told us they had been sent out from Tuxtla Gutierrez and that they have come to investigate the refugee problem.

"We believed them, but noticed something strange about them: They behaved very aggressively. They made us tell them where the Guatemalans were. That worried us. There were no more than six soldiers, all in military uniforms of the combat type. Their way of talking, although similar to ours, did not convince us. We asked them where they had come from and again they said the provincial capital. All of them were carrying submachine guns. We saw spots on their faces like paint.

"Then all of a sudden we were surrounded by more armed men, something like 130. All of these were dressed in civilian clothes, but they were well armed. That was when we realized that we were not dealing with Mexican soldiers, but with Guatemalans who had crossed the border in search of their countrymen who had taken refuge in Chiapas territory."

The manager was questioned in the provincial capital in Governor Sabines' office, to which we had retired in the company of police officer Trinidad Gomez Morales and Sergio Garcia Culebro, the latter president of Margaritas

Municipality. There the nervous ejido manager continued his account: "This all happened on 29 September, Wednesday of last week. We couldn't do anything. It seems they had organized the invasion very well. There was no way to offer resistance. They controlled the situation. Our community is located 3 kilometers from the border and we don't have a Mexican Army contingent around to ask for help.

"We acted like we didn't know the real situation. Out there we have about 4,000 Guatemalan refugees. They seized six of our countrymen and began to interrogate them with threats and blows to get them to tell the names of the refugee leaders. I don't know whether they told or not, but the interrogators then began to conduct searches and it was in this way that they then seized the 10 Guatemalans.

"But that wasn't enough. They stayed the rest of the afternoon and all night in our ejido, constantly threatening us with weapons and insulting us. We couldn't do anything about it. We were at their mercy. Some of us hid for fear in the woods because we did not know what was going to happen."

Ruiz Gomez, a young man of short stature, after telling the governor what had happened less than a week ago at the ejido he manages, explained that the uniformed "kaibiles" left the same afternoon in the helicopters [as in text] in which they had arrived, and that only the armed men in civilian clothes stayed on. In a defiant way, he characterized them as "vicious."

"It was a night of terror," he related. "You know that out there, in the ejido, we're not so many. We were afraid because there was no one to protect us, but what were we going to do? It was only the following morning that the Guatemalan soldiers dressed as civilians then left the ejido."

He said that before leaving the soldiers from our neighboring country threatened that, if the farmers continued to give refuge to peasants from Guatemala, they would suffer new and greater incidents of aggression.

"We realized that the armed Guatemalans, in leaving, were taking with them refugees whom they had previously tortured in our territory. But we couldn't do anything to free them. The soldiers were very well armed and we never thought of offering resistance."

"How about the injured Mexicans?" we asked

"All right; we took care of them ourselves. They beat them on the face and other parts of the body. They didn't only use fists, but also pistols and the butts of their weapons. Fortunately, no one was seriously injured, but they did not escape blows.

"Our comrades have told us that the Guatemalan soldiers wanted to know where the guerrillas are, but since neither they nor we know where they are, the soldiers didn't get an answer on this. The "kaibiles" are crazy and the 'worst thing' is that we have no protection. So we've come to see the governor to ask him to help us."

The peasants' complaint was delivered personally tonight to Gen Alberto Quintanar, chief of the 31st Military Zone, in his office located west of the city. This officer promised to inform the present Secretary of National Defense Felix Calvan Lopez, of these events.

## CHRISTIAN DEMOCRAT LEADER COMMENTS ON ELECTIONS

PA110525 Tegucigalpa LA TRIBUNA in Spanish 8 Nov 82 p 16

[Text] Julio Ramon Garcia Vilchez, assistant secretary general of the Nicaraguan Christian Democrats, told LA TRIBUNA that the socio-political model promoted by the Sandinist government in his country "is Marxist-Leninist."

Speaking of Marxism in Nicaragua, Garcia Vilchez said that "there is a large number of FSLN leaders who follow this Marxist-Leninist trend, and in this sense, if they have most of the power in their hands, then the socio-political model that they promote will follow those lines."

"However, there are other political groups in the country--and among these we find the Christian Democrats--that in a civic struggle are giving all their support so that in Nicaragua a truly democratic and pluralist regime will be established through free elections in which the people's will is demonstrated with a vote," he added.

When he was asked whether there are possibilities for an election in Nicaragua, Garcia Vilchez said that "the Sandinist government has promised, and it is even included in a decree, to have free elections in early 1985. Therefore, there are possibilities for an election."

"Christian Democracy is a party that believes in ideological pluralism and, in this sense, believes that this process must be demonstrated in the existence of different political currents, including Marxist; but it should be the Nicaraguan people who say what they want in regard to ideologies."

Asked about his party's stand regarding a future war with Honduras, Garcia Vilchez said that "we are against any war because we believe that this is not the correct manner to solve political conflicts. We continue to believe that in a war the real losers are the peoples."

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## CHANGES WITHIN SALVADORAN MILITARY ANALYZED

PA102352 Managua Radio Sandino Network in Spanish 1200 GMT 10 Nov 82

["Today's Chronicle": "San Salvador: Crisis Within the Army"]

[Text] Amid rumors of coups and confrontations between two armed forces factions, the Salvadoran army has decided to transfer several military commanders. On the one hand, Defense Minister Gen Jose Guillermo Garcia seems to have the support of both the U.S. Embassy and the Christian Democratic Party for his policy that seeks to isolate the guerrillas and reduce their support among the peasants. On the other hand, Maj Roberto D'Aubuisson, Ret, leader of the Ultraright Nationalist Republican Alliance, ARENA, is accused of maintaining ties with the oligarchy, which opposes the reforms introduced in the wake of the military coup staged in October 1979.

This confrontation is currently being reflected within the armed forces, according to local political sources, in whose circles the transfer of certain high-ranking officers is viewed as part of a political struggle, despite the fact that the military sector has labeled these transfers routine.

Political sectors view as highly significant the transfer of the commanders of the country's most important garrisons, such as San Salvador's 1st infantry brigade, which is known as the San Carlos garrison; the 2d brigade, based in Santa Ana; the 6th detachment, headquartered in Sonsonate, in the west, where guerrilla activities have so far been few; and the 4th brigade, based in El Paraiso, in northern Chalatenango department.

Col Edmundo Palacios, who had been serving as San Carlos garrison commander, has become chief of the presidential general staff. Col Elmer Gonzalez, who had been holding this post, has been transferred to detachment No. 6 in Sonsonate. Col Maximiliano Leiva, who had been serving as commander of the Sonsonate garrison, will take over the command of the 4th infantry brigade in El Paraiso, Chalatenango department, where the guerrillas have been particularly active.



The presidency of the National Telecommunications Administration, ANTEL, regarded as a key position and held until now by Col Nicolas Carranza, former under secretary of defense who is close to D'Aubuisson, has now been given to Col Julio Cesar Gomez, a former chief of engineers at the Defense Ministry who is close to [Defense Minister] Garcia.

All these changes seem to indicate that there is a profound crisis within the Salvadoran army, the consequences of which are still unforeseeable, but which will undoubtedly have a decisive influence on El Salvador's political future.

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## ARCE DISCUSSES SITUATION IN ZELAYA NORTE

## Regional Committee Sworn In

Managua BARRICADA in Spanish 5 Oct 82 p 5

[Text] Special--"The defense of the revolution presents us with the challenge of maintaining a viable economy while we combat the enemies of our people." Revolutionary Commander Bavardo Arce, coordinator of the Political Commission of the FSLN [Sandinist National Liberation Front] said yesterday at the swearing-in ceremony of the Regional Committee of the Sandinist Front for Zelaya Norte; the ceremony was also in honor of Jaime Sanders, the Sumo soldier who was killed in Musawas last 27 September. Speaking before more than 300 farmers and members of the Sandinist Front, Arce said the country faced two fundamental problems at this time, the economy and defense.

Regarding the economic problem, he pointed out that the crisis in Nicaragua was part of a worldwide situation that is aggravated by the low prices being paid in international markets for our exports and the high prices we are charged for the materials and equipment we need to produce. "This is a crisis brought on from outside by the imperialists," he emphasized.

But this situation not only affects Nicaragua but the rest of Central America, Latin America, the Third World, and all underdeveloped countries in general. Because of this crisis, he pointed out, we are obliged to shut down industries, which causes more unemployment and shortages. But at the same time this presents us Nicaraguans with a challenge to face problems with greater sacrifices and more creativity.

He indicated that the decentralization program, for both political and administrative matters would help provide solutions to the country's problem.

## Defense is the Key

On the other hand he stated that it was necessary for every Nicaraguan to participate in the defense of the nation for the "survival of the country and the revolution. Everyone is aware of the plan of the U.S. Government to destroy our revolution. The full power of the United States is behind the efforts of the counterrevolutionary bands," he added.

This situation has caused concern throughout the world, including the U.S. Congress. He cited for example the efforts of the presidents of Mexico and Venezuela to neutralize aggression against Nicaragua.

Defense is not only found in the military arena but also in raising the level of discipline and efficiency in industry. We must keep the economy viable while we fight, but that does not mean that we would not abandon the fields and the factories at the moment of aggression; otherwise, the slogan, "They shall not pass," would not have any real meaning.

He said the duty of Sandinist Front members is to explain the causes of all our problems to the people and to be responsible for the good and the bad that happens in this country. It is necessary to do good political work so that there will be no discontented Nicaraguans who will be attracted to the counterrevolution, he said. Of course, there will always exist bad sons of Nicaragua, despite all efforts.

#### Swearing In of the Regional Committee

The swearing in of the Regional Committee was performed by Brigade Commander Rene Vivas, vice minister of interior, who reminded the members of the political responsibility they must assume and urged them to carry out their new task with the same spirit and determination they showed in combat.

The Regional Committee is composed of Guerrilla Commander William Ramirez, political secretary, Patricia Orozco, Rosa Maria Gonzalez, Dorothea Wilson, and Eddy Alberto Perez.

John Wilson, bishop of the Moravian Church, read a letter from the World Council of Churches expressing its support for the Sandinist Popular Revolution, calling on the Reagan administration to halt its military backing for the counterrevolutionary bands in the United States and Honduras, and advocating a negotiated solution to the conflict in Central America.

#### Homage to Jaime Sanders

The political secretary of the FSLN Regional Committee, Commander Ramirez, hailed the person of Jaime Sanders, the Sumo soldier in whose honor the ceremony was being held; he said Sanders had joined the FSLN in 1977 and fought in the Matagalpa uprising. After the victory, he returned home and served with distinction in the Literacy Crusade.

He also participated with the Atlantic Coast Heroes and Martyrs Brigade, working with the Miskito communities, and because of his qualifications he was named an official of the Ministry of Interior, where he was serving when he was killed while fighting against the counterrevolutionaries in Musawas.

Present at the ceremony as special guests were Jaime's parents, Raul Sanders and Yanes de Sanders, and a delegation from the General Staff of the EPS [Popular Sandinist Army], leaders of mass organizations, and farmers of the region.

Commander Arce and the party delegation also visited the Juan Ruiz Granados Agricultural Cooperative, where they spoke with other cooperative leaders of the region about the problems facing them.

In addition, Commander Arce visited the Miskito settlements in Tasba Pri, where he attended a performance featuring native music and dances.

#### Visit to Mines

[Text] Bonanza, Zelaya Norte (Special)--A Sandinist Front delegation headed by Revolutionary Commander Bavardo Arce, coordinator of the Political Commission of the FSLN, visited this town Saturday as part of a 3-day tour of this mining region.

The delegation met with military commanders in the area and received a detailed report from Capt Cesar Delgadillo and other officers on the condition of the Popular Sandinist Army forces in action against the counterrevolutionary military units that are making raids from Honduran territory.

Later, Arce and his party delegation participated in a town meeting with the miners of Bonanza at the Donaldo Meza Espinoza Gymnasium. The miners explained their immediate problems and demanded more responsible action on the part of the management of CONDEMINAH [Nicaraguan Mine Corporation] to solve them.

#### Production Problems

Bavardo Sanchez No. 2 man in the Mining Complex, gave a report at the workers' meeting on production, which has shown a sizable drop in recent months.

The secretary general of the union, Marcelino Sanders, pointed out the many sacrifices that had been made, but said these were not enough to raise production. He urged the workers to be less wasteful and to take care of the equipment and machinery.

He noted there were workers who damaged the machinery through carelessness while others did not give a full day's work, resulting in a loss of production.

"This situation is worrisome," Sanders said, "and we need support from all of you to make this mine work."

#### Lack of Parts

The workers, on the other hand, pointed out that the main problem facing them was the lack of spare parts for the machinery, and that some mines were flooded and the pumps were out of order. They added that another substantial problem affecting the workers was the lack of supplies at the mine commissary."

Guerrilla Commander William Ramirez, political secretary of the FSLN Regional Committee for Zelaya Norte and delegate to the Governing Junta, exhorted the workers to increase the level of their output and their productivity. He said the basic problem of the mines was that no progress had been made in exploring productive veins.

Regarding the lack of parts, he said all the procedures had been completed in Managua, but that bureaucratic snags in the CONDEMINAH management were delaying their delivery.

After listening to the workers' concerns, Commander Arce urged them not to wait for someone to come from Managua to solve their problems. "You," he stated, "should find solutions by your own efforts and creativity."

He emphasized that the duty of the workers was to raise the level of their productivity to prevent the mine from being shut down and avoid unemployment for themselves.

He said the mine was of strategic importance because if it is kept in production, the workers will not lose their jobs and at the same time they will help earn the foreign exchange needed to buy the spare parts and machinery required for production.

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U.S. RELIGIOUS GROUP MEETS WITH BORGE

PA112040 Managua Radio Sandino Network in Spanish 1200 GMT 11 Nov 82

[Text] There are no restraints on religious practice in Nicaragua and no one will ever be persecuted because of his faith. However, religious practice is one thing and the utilization of religion for counterrevolutionary purposes is another.

This was said yesterday by commander of the revolution Tomas Borge, interior minister, during a cordial meeting he held with the U.S. religious delegation that has been in Nicaragua for 2 days at the invitation of the Evangelical Committee for Development and the Foreign Ministry.

The visitors expressed concern over their government's interference in the border conflicts between Nicaragua and Honduras. They also asked Commander Borge about the status of church-state relations, to which Borge responded that efforts are being made to establish a dialogue with the Catholic leaders. He added that the only ones who have problems are those who use God's name as a shield for attacking the revolution and the people.

Later on, the members of the U.S. religious delegation promised to be ambassadors of peace and to widely disseminate all that they have seen about the revolution, in order to dispel the misinformation about it.

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## ENVOY TO BRITAIN CRITICIZES THATCHER GOVERNMENT

PA140129 Havana International Service in Spanish 0000 GMT 13 Nov 82

[Text] Francisco D'Escoto, Nicaraguan ambassador in London, accused the British government today of remaining indifferent to the fact that Nicaragua is seriously threatened with attack by Nicaraguan counterrevolutionary forces and troops from other nations, trained and supported by the United States and the Honduran and Costa Rican governments.

In a statement to the London weekly TRIBUNE, D'Escoto said that British Prime Minister Margaret Thatcher's government uses the principle of non-aggression only when it involves the interests of the United Kingdom, rather than in all circumstances.

After disclosing that Great Britain has been trying to get the EEC to terminate aid to Nicaragua, D'Escoto said that his country has reiterated for months that it is only seeking a constructive dialogue, by which to solve the political problem in the Central American region. He added, however, that U.S. President Ronald Reagan is afraid of the emergence of any democratic process in the region.

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## 'LA PRENSA' ANALYZES REGIONAL ROLE

PA121659 Managua LA PRENSA in Spanish 5 Nov 82 pp 2, 13

[Unattributed commentary: "Nonalignment: A Challenge to Central American Survival"; first five grafs published in boldface, set off as a box]

[Text] The Central American region is again playing in the big leagues although it is still a relatively new team, searching for national identity, integration and justice within an uncertain international environment and faced with domestic situations that underscore its intrinsic weaknesses.

In order to understand what is happening in Central America it is necessary to recall what has happened in the past and to be aware of the interests that are currently acting within this small region. The Central American nations, which gained their independence from Spain prematurely, have in common not only the sad privilege of life in a climate of violence and misery, but also the fact that they have been subjected periodically to looting by the big powers. It is no wonder that the Central American nations have been called the Balkans of this continent.

This is what happened during the first half of the 19th century, when England and Spain disputed over control of the Caribbean. It happened again at the end of the century, when the United States became a continental power and forced the British empire to withdraw from the area. In their difficult history, these small countries share a strange and explosive mixture of domestic structural weaknesses and disturbing foreign elements which have had a reciprocal impact on each other.

Central America remains a region of little economic or political importance. However, despite this weakness we have seen that the region's geopolitical situation is gaining increasing importance.

This is why LA PRENSA believes it is necessary to enlighten its reader through the following analysis, whose objective is to answer Central America's big question of the 1980's: What position does Central America occupy on the lists of Soviet and U.S. interests?

The Central American region is playing in the big leagues, to the extent that all Central Americans judge the crisis and view the future of their

respective countries on the basis of the international situation. The Central American countries are being affected by economic factors that are characteristic of the 80's and that are threatening to push the economy of the five Central American countries back to a subsistence level.

Some of the factors that contribute to the catastrophic situation are the unchecked oil price increase, the higher cost of capital goods (machinery) imports, an unprecedented foreign debt, high interest rates, financial resources beyond the reach of governments, etc.

However, the people's big question of the 1980's is the role of Central America in the plans of the two superpowers: The United States and the Soviet Union. There is a general understanding that the "crisis" is beginning to project itself beyond the Central American borders and that it is now enmeshed in the complex and dangerous web of international affairs.

Central America, in this difficult period, currently involves changing societies that are looking for new points of equilibrium and stability, which will allow them not only to remove structural obstacles that block their development but to modernize and to guarantee the majority's access to the fruits of development.

But we must point out that the geopolitical importance of the region has placed the Central American issue on the world chessboard and pushed it into a game that will determine Central America's future, depending upon the balance established among three relationships. Of the three, this analysis concerns East-West relations, but we do not underestimate the importance of North-South relations and of hemispheric relations. Considering the importance of the first, however, we will discuss them and reach some conclusions that could serve as guidance for the Nicaraguans, who are caught up in the intricate entanglement of international relations.

We begin with the premise that internationally, Central America has little economic or political importance and that, therefore, its current importance results, in part, from the critical situation that prevails in the world. Central America is vulnerable from every angle to the effects of East-West relations. That is, its future will depend to a great degree on the effects of the confrontation between the world's two superpowers, the United States and the Soviet Union. These two countries, motivated by geopolitical interests, increasingly compete to expand their spheres of international influence.

It is within this framework that we ask ourselves about the Central American role in these relations. The answer is complex, but we want to examine it from the point of view of both contenders.

## To the United States

From the U.S. viewpoint, Central America, due to its proximity, belongs in its sphere of influence. The continued U.S. interventions in Central American and Caribbean nations, during periods of prosperity and calm as well as during crises, is evidence of this proclivity for the exercise of power.

In order, however, to refer to the specific importance of Central America in U.S. foreign policy, it is necessary to take into account the following two factors: On one hand, the economic value of Central America is marginal to the United States. Likewise, its geopolitical importance is not as great when compared to other geographic areas, such as the Middle East or South Africa.

Considering this, observers feel that the current U.S. interest in Central America can be explained by the supposition that the Reagan administration has discarded detente and assumed the principles of globalization and confrontation with the USSR; in other words, that in the administration's view, the basic conflict of our times is between the Western civilization and the communist world.

Consequently, any international problem or conflict must be evaluated by its effect upon the balance of power between the United States and the USSR. Thus, we can surmise that in U.S. foreign policy, Central America is a minor part of a global whole; that it is the strategy of confrontation with the USSR that will determine its attitude toward the Central American crisis and its impact in each of the area's countries.

In other words, the U.S. attitude toward Central America will depend upon the balance of power and the level of confrontation between the superpowers in Poland, Afghanistan, the Middle East and Africa, as well as on the position that Central America occupies in the U.S. defense strategy--a position that some strategists link to the future of Venezuelan and Mexican oil supplies, as well as to the vital importance of the Panama Canal in international trade, both of which must be protected, even through the use of military force.

In sum, we can assert that in Central America, the United States faces the fundamental dilemma of deciding what attitude to assume toward societies that are undergoing change, for it finds itself in the midst of an international conflict during a period of economic recession, while compelled to face a crisis with scarce resources in the presence of an opportunistic adversary.

In conclusion, we are inclined to speculate that the U.S. objectives in the areas are: 1) to keep Central America from falling into the Soviet sphere of influence; 2) to re-establish its credibility and prestige in the area; 3) to stabilize the area, in conformity with its military and



ideological security; 4) to control and direct the process of change, in accordance with its interests, by supporting its allies in the area; and 5) to avoid the destabilization of other areas, such as Mexico and Venezuela.

The means available to the United States to achieve such objectives include a variety of responses, ranging from economic pressure to direct or indirect military intervention.

From the USSR viewpoint, we find that, due to its geographic remoteness, Central America is on the edge of its sphere of influence, in an area where it has never exercised power. The premise that Central America is an area of marginal economic value is also valid to the USSR, and finally, it has little strategic importance when compared to other geographic areas.

There is, however, a factor that gives Central America specific importance in Soviet foreign policy and in the close relationship between the USSR and its Cuban ally.

Central America is located near Cuba, and both the USSR and the Cuban leaders are aware that, as time passes, the survival of their political plan depends upon the Latin American response to it. It will depend upon Cuba's ability to initiate and control revolutionary processes on the mainland and to create a solid continental foundation in support of communism.

To understand how Central America is being viewed by the Soviets, it is necessary to consider the various hypotheses that are being pondered by strategists. This will allow us to deduce various aspects of Soviet behavior toward the region.

1. The messianic hypothesis claims that the Soviet Union has made the firm decision to spread communism throughout the world, through the seizure of powers by communist parties or their like. Central America represents an ideal opportunity, because its internal crisis has rendered it the weakest link in the capitalist system.

This plan would be implemented through firm support for radical leftist forces, so that a military and political victory for the Soviets' domestic allies can be secured and communist regimes can be installed throughout the region.

2. The pragmatic hypothesis holds that the Soviet Union will behave like a world superpower, acting to maintain and extend its sphere of influence, and that to do so it must act realistically, skillfully and prudently.

On the basis of this pragmatic view, the Soviet Union could be expected to exploit the Central American crisis and to create problems for the United States in its own backyard, just as North America does in Poland and

Afghanistan, according to the Soviets. In this kind of confrontation, the two sides would have to negotiate and make concessions and mutual sacrifices sooner or later.

3. The expansionist hypothesis presupposes that the Soviet Union is behaving like a world power whose basic objective is world domination through the destruction of Western civilization and that, to achieve this the Soviet Union is trying to starve the industrial democracies by cutting their access to oil, strategic raw material and international sea transport, thus producing an economic collapse that would lead to surrender.

The proponents of this hypothesis believe that the Soviet Union is deeply interested in installing puppet regimes in Central America, so as to cut the Western hemisphere in half, after which it can advance to Mexico to the north and to the Panama Canal and Venezuela to the south. It must be recalled that Mexico and Venezuela are Latin America's most important oil producers.

4. The strategic alliance hypothesis suggests that the poor third world countries, in their effort to achieve economic, political and social recovery, are confronting the industrialized capitalist countries, which exploit them through a system of economic domination: "imperialism." In order to increase their negotiating power in facing "imperialism," the poor countries must resort to a strategic alliance with the Soviet Union and the socialist bloc, allegedly, the only ones capable of counterbalancing "imperialism." From this point of view, the Soviet Union would be expected to cooperate, within its limitations, so that Central America can solve its internal crisis, and to exacerbate the region's problems with the United States.

#### Conclusion

Considering the viewpoints of the two contenders, the United States and the Soviet Union, we can see that Central America's future will be very much affected by East-West relations; that is, by whatever may happen in the general world confrontation between the two superpowers. And, at this level, Central America's influence will be minimal.

Based on this, on commonsense and on Central American convictions, we can conclude that the only way to save Central America from a large-scale war is to implement the principles of nonalignment in strict fashion.

True nonalignment consists in Central American domestic and foreign policies that merit respect from both blocs, with concomitant support from each bloc as it seeks to insure that Central America acts as its ally in international forums. This is truly a challenge.

This would serve to keep Central America from being sacrificed, at any moment, as merely another pawn in the international chess game, a situation that would bring pain to the Central American people.

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## 'LA PRENSA' EDITORIAL PRAISES DEMOCRACY

PA111357 Managua LA PRENSA in Spanish 5 Nov 82 p 2

[Editorial: "A System That has Yielded Results"]

[Text] Every day we see a new country solving its problems through the civilized path of democracy. Yesterday it was Bolivia, today it is Spain. We have also seen that three countries, Sweden, France, and Spain, have recently become socialist via the democratic path.

The democratic ideal, therefore, is not an obstacle to justice. It is the best and most humane path by which to achieve justice and to strengthen freedom.

We have struggled for democracy--and Pedro Joaquin's sacrifice has hallowed that ideal with his martyr's blood--because that is the only form of government that gives man powers against government. When we say "powers," we mean "freedoms," or laws and independent legal institutions that can watch over, control and change rulers (through votes).

We struggle for democracy because it is the only system by which a revolution--that is to say, a process of change--can freely be aware of its position and the true reactions of its people and can thereby create original and truly popular responses, based on the people's active, free and critical participation.

All communications media are now highlighting two events that we should analyze: One is the democratic victory in the U.S. elections. This was the people's reaction to Reagan's power politics. The other even is the report of and attacks against Reagan's warmongering activities in Central America by a U.S. newspaper and a magazine. This is one sector's exercise of freedom in an effort to prevent a grave injustice.

As we can see, democracy is not an imperialist weapon. On the contrary, the fact that imperialist tendencies are being curbed by an "opposing sector" proves that there is democracy in the United States.

Democracy is not a capitalist weapon, either, because that "opposing sector" gave electoral victories to Mitterand in France and to Felipe Gonzalez in Spain.

Democracy is a system that has yielded results. Regardless of its shortcomings, it is the only system that allows people to coexist, through mutual respect for opinions and political pluralism, and the only one that chooses its successive governments in a civilized manner, in accordance with the dictates of the people.

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## D'ESCOTO RECEIVES FMLN-FDR PROPOSALS

PA092208 Managua BARRICADA in Spanish 5 Nov 82 p 12

[Text] A delegation from the political-diplomatic commission of the FMLN-Revolutionary Democratic Front [FDR] formed by Commander Ana Guadalupe Martinez, Ruben Zamora and Oscar Armando Acevedo yesterday delivered the Salvadoran Revolutionary Organizations' proposal for a dialogue to Foreign Minister Miguel D'Escoto.

The delegation talked with the foreign minister for 30 minutes. They explained the background of the proposal and analyzed the internal situation of El Salvador.

Father D'Escoto said that the proposal was very positive due to the patriotic maturity of the Salvadoran organizations, which are again trying to find a solution to the internal conflicts of their country and to lessen the social cost of the war.

Finally, Foreign Minister D'Escoto pointed out that the prolongation of this problem might bring imperialist intervention in Central America.

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## CORFIN OFFICIAL ON LOSSES FROM DROUGHT

Managua EL NUEVO DIARIO in Spanish 11 Oct 82 p 4

[Text] The prolonged drought that hit this country last July and August may have resulted in losses of from 60 to 80 million cordobas in the Department of Leon. This was reported by Javier Bone Pantoja, assistant director of CORFIN [Financial Corporation], at a press conference; he admitted that some of the figures would still have to be adjusted because one branch bank's report had not been received.

Bone Pantoja said the worst damage occurred in the Department of Leon and all the data supplied dealt with that department. However, he said "some small areas of the country may also have been affected by the drought."

The high finance official said 7,000 manzanas of rice, 12,000 manzanas of corn, and 3,000 manzanas of cotton had been lost in Leon. He indicated that overdue payments would be forgiven and the debts assumed by the central government, as was officially announced during the national emergency.

## Investment of 80 Million

He explained that following the government's announcement CORFIN asked all the branch banks in Leon and Chinandega for detailed information on the damages and the amount of funds they disbursed during the disaster. "Incomplete reports indicate they had spent between 60 and 80 million cordobas in standard grains and cotton. The final figures will be ready next week."

The banking experts estimate that 62,660 manzanas of cotton were planted in Leon this year, of which 3,070 were totally destroyed. This is 4.9 percent of total acreage. During the survey it was found that 15 percent of the total area planted had been replanted, and of this figure 79 percent of the plants had germinated as a result of the abundant rainfall that occurred after 10 September. A total of 31,957 manzanas were slightly affected, from which a yield of 30 to 35 quintals of raw cotton each is expected. Some 15,457 manzanas suffered medium damage, and they are expected to produce 25 to 30 quintals of raw cotton per manzana, 12,156 manzanas were heavily damaged, and a yield of 20 to 25 quintals per manzanas is expected.

## 1.6 Million Quintals

He indicated that an average yield of 25 to 30 quintals per manzana is expected in the Leon area. Estimates indicate total minimum production of 1.6 million quintals of raw cotton and optimum production of 1.9 million.

Last year the Leon area produced 1.7 million quintals.

The official said that the drought in Chinandega had practically no effect on the cotton crop. "Nothing extraordinary occurred there." He explained that in Leon, where the damage was concentrated, some producers planted cotton twice and others changed to other crops; these received immediate financial help so that their cultivation would not be delayed.

## Livestock Area Received Heavy Financing

Concerning the effects on livestock, Javier Bone said that financing had been increased substantially for steers starting in April, and emergency feeding measures were taken during the drought.

He indicated that during the first 7 months of 1982 the livestock sector had received financing in a total amount of 1.144 billion cordobas, of which 609 million, or more than 50 percent, went to the private sector.

He stated that the substantial increase in incentives to the livestock sector that began in April resulted in disbursements of 800 million cordobas between April and July, or 60 percent of total authorized loans.

## C\$3,800 Per Head

He stated that prior to last April ranchers were receiving 1,800 cordobas per head for steers and today they received up to 3,800 cordobas for steers weighing over 315 kilos, 3,300 for steers weighing between 261 and 315 kilos, and 2,500 for steers weighing between 150 to 180 kilos.

He pointed out that in the livestock area losses would be counted only in cases involving cattle deaths caused by the drought.

9015

CSO: 3248/176

COUNTRY SECTION

NICARAGUA

BRIEFS

DELEGATION TO OLADE MEETING--Emilio Rappaccioli, minister-director of the Nicaraguan Energy Institute [INE], and Fernando Cuevas, INE deputy minister, left for Uruguay today, where they will participate in the annual meeting of Latin American energy ministers. The meeting is sponsored by the OLADE. [PA141409 Managua Radio Sandino in Spanish 1830 GMT 13 Nov 82 PA]

CSO: 3248/239

## COMPTON ADDRESSES UWP CONVENTION ON ECONOMIC SITUATION

Bridgetown ADVOCATE-NEWS in English 28 Oct 82 p 7

[Text]

CASTRIES, St. Lucia, Wednesday, (CANA) — St. Lucia's Prime Minister John Compton has appealed to his countrymen to demonstrate a willingness to co-operate, instead of bickering among themselves, so as to improve the country's crisis-stricken economy.

Addressing the annual convention of his ruling United Workers' Party (UWP) here yesterday, Mr. Compton made a special plea for stability in the island's industrial sector, saying that St. Lucia had already suffered much because of the continuous confrontation and harassment in its industrial relations.

The convention was the party's first since May, when it captured 14 of the 17 seats in the House of Assembly, to return to power which it had held from 1964 to 1979.

Mr. Compton, political leader of the UWP, also took the opportunity to detail some of his government's plans for economic recovery, and announced a number of jobs generating projects which were soon to get under way.

He spoke at length of the country's economic situation, saying it now lay in ruins with unemployment at its highest level in living memory, and the treasury depleted by "wanton waste."

Blaming the situation on the current international recession and the performance of the last St. Lucia Labour Party (SLP) Government, Mr. Compton reported that there had been

decline in every area of activity. Consequently, the economy had shown no growth during the last three years, he said.

"The banana industry — the island's main agricultural export crop — is in grave danger with exports at their lowest level in 10 years. Tourists have all but disappeared from our shores, hundreds of jobs in industry have been lost and the cost of government has increased by over 50 per cent in three years," Mr. Compton told his supporters.

He spoke too about the measure being adopted by his government to improve the situation, "and create a climate of industrial stability which is a pillar on which our economic recovery is to be built."

The Prime Minister said the Government planned to establish a tripartite consultative commission on wages, prices, productivity and employment, he regretted that some of the trade unions had rejected the idea.

"Whether we like it or not, unless this economy is revitalised, production and productivity increased, unless agricultural exports improve and the tourist industry is restored to its former level at least, we can expect little by way of wage and salary increases," he said.

According to Mr. Compton, one of the reasons for the current high unemployment rate — officially estimated at

27 per cent — was the attempt by the last government "to purchase popularity at the expense of the country," by granting wage and salary increases far in excess of what the economy could bear.

He added: "What is needed now is not this attitude of take, take, take, with threats of confrontation if we don't get our way, but rather a willingness to co-operate and so improve the economy by increasing production from which all will benefit, particularly the weak and the poor."

Mr. Compton said there was urgent need to product more from every acre of land, more from every hour of human effort and more from every machine we employ."

He noted that already, Britain, the United States, Canada and Venezuela had come to St. Lucia's assistance in its economic reconstruction effort.

Mr. Compton said that his government was also preparing St. Lucia to benefit from the opportunities that would come from the U.S.-backed Caribbean Basin Initiative (CBI), a multi-million dollar trade, aid and investment programme.

The CBI, he said, gave the island an opportunity for industrialisation it must not miss. St. Lucia was excellently placed to take advantage of this deal with "a unique combination" in the Caribbean of an international airport and deep water harbour within a mile of each other and a vast spread of flat land served with water, roads and electricity, all in the

southern town of View Fort.

"Mr. Compton declared "this combination we shall put to use by the creation in that area of an industrial freezone. Since the elections, work on this has already begun and is now in an advanced stage. The World Bank has been approached for financing."

The CBI, besides offering cash aid to regional states, provides for American investment and a 12 year duty-free entry of most regional goods into the American market.

The Prime Minister said his Government was not only looking at big programmes. Agriculture "which has been particularly destroyed," would be restored with funds from the St. Lucia Development Bank, lands which were not inaccessible would be opened up by new feeder roads while a 1 600-acre land resettlement scheme at Roseau, just outside here, would provide land for farmers, he added.

But Compton warned that low production and high production costs would pose a challenge to the vital banana industry, adding that in anticipation of this, his government had summoned a meeting of all parties concerned with the industry to discuss the problems and come up with solutions.

He called for "massive and demonstrative support" — the same that was given to his party in the recent election — for the government's plans for economic recovery.



## BRITISH FIRMS, EEC, GOVERNMENT TEAMED IN HUGE FARMING PROJECT

Bridgetown ADVOCATE-NEWS in English 26 Oct 82 p 4

[Article by Guy Ellis]

[Excerpts]

CASTRIES, St. Lucia, Monday, (CANA) — Two big British concerns are teaming up with the European Economic Community (EEC) and the St. Lucia Government in a multi-million dollar agricultural farm venture which is expected to get into full swing here by early 1983.

The project, in the fertile Roseau valley just outside Castries, is part of efforts by African Caribbean and Pacific (ACP) countries to provide the EEC with tropical fruits and out-of season vegetables through co-operation under the Lome Convention.

Geest Industries which has been marketing St. Lucia and Windward Islands bananas in Britain since the start of the industry in the early 1950's, and the Commonwealth Development Corporation (CDC) are helping to put up part of the EC\$18 million (one EC dollar equals 37 cents US) required for the programme.

The scheme involves the development of 1 600 acres of land on the formerly Geest-owned Roseau estate, into model agricultural holdings for 175 small holders and the establishment of a nucleus farm and housing project.

Under the programme, bananas will be cultivated on valley bottom lands while tree crops will be grown on hillside lands which will be largely bench-terraced.

Last month, the St. Lucia Parliament approved

legislation which will give impetus to the St. Lucia Model Farms (SLMF) project, as it will be called. This came six years after the scheme was first conceived.

The model farms venture is one of several programmes planned and being executed here to spur agricultural production. Parliament also recently gave its approval for the Caribbean Food Corporation (CFC) to operate here.

The CFC, which was set up by Caribbean Community (CARICOM) governments to undertake programmes aimed at boosting agricultural production and reduce the region's high food import bill, is to identify commercial projects in agriculture in St. Lucia involving the production of raw materials, and in processing and marketing.

The corporation is also a partner in another local agricultural concern the dennery farm company, which is cultivating several hundred acres in the eastern section of the island.

EECs total involvement in the project will include land preparation, roads and cableways, machinery, microdams, a processing unit and a health clinic.

CDC, which is already involved in a wide range of other development projects on the island, will control a third of the share capital of SLMF.

The remainder will be held equally by Geest and the St. Lucia Government, through its national development corporation.

CDC has already approved a loan investment of EC\$3.5 million in the venture while Geest will lend SLMF two million. Both loans carry an interest rate of six per cent free of income tax. They will be repaid over 12 years with an initial moratorium on principal repayments of five years.

The St. Lucia government's contribution of EC\$300 000 will go towards the installation of electricity and water mains, and the erection of a day care centre. It has also agreed to guarantee the CDC and Geest loans to SLMF as well as a two million dollars local commercial bank loan which provided the company with bridging finance.

The long delay in getting the project firmly off the ground has proved costly. CDC's early appraisal of the programme had envisaged an expenditure of EC\$8.55 million. After SLMF had defaulted on two target dates set for the commencement of work, the central planning unit here updated the projections in February 1980

which showed that the cost had risen to EC\$18.1 million.

Initially, CDC had offered to provide all the external funding needed (EC\$3.5 million) at that time. But with the updated figures, this has soared to EC\$15.8 million and the corporation has now indicated that it would prefer to be a minority provider of funds.

SLMF meanwhile is still in the market for another EC\$4.3 million to complete the finance package for the programme.

The development structure of the project itself makes it easily the biggest land reform programme ever undertaken here. It will comprise 115 five-acre valley farms which will be banana cultivations using fixed overhead irrigation systems, and 60 hillside farms of between 10 and 15 acres.

Each hillside smallholder will be allocated two acres of valley lands cultivated with irrigated bananas. Hillside cultivation will be mainly fruit and tree crops with extensive below tree-intercropping.

The social aspects and choice of farmers is considered vital to the success of the project.

CSO: 3298/110

## OPPOSITION HITS CATO GOVERNMENT FOR MISMANAGEMENT OF ECONOMY

## Mitchell Accusation

Bridgetown ADVOCATE-NEWS in English 25 Oct 82 p 1

[Text]

KINGSTOWN, St. Vincent, Sunday (AP) — St. Vincent and the Grenadines Opposition Leader James Mitchell has called for a compromise between government and the business sector over the three per cent gross turn-over traders tax.

Mitchell has accused Prime Minister Milton Cato's administration of a lack of economic planning and wastage, adding that the government should resign if it is unable to manage the state's affairs.

Mitchell, representative for the Grenadines in the St. Vincent and the Grenadines House of Assembly, said that Government should seek some compromise with the businessmen on the tax issue, with the interest of consumers being the major consideration.

Prime Minister Milton Cato's St. Vincent Labour Party (SVLP) administration

and the states business sector have been at odds over the three per cent gross turn-over traders tax issue imposed here last month.

Mitchell said this week's hike in the prices of gasoline, diesel and kerosene had confirmed the worst fears of St. Vincent consumers and traders concerning the effects of the tax on the islands cost of living.

The price of fuel here rose by between 32 and 42 (EC) cents a gallon this week, with Minister of Trade Vincent Beache announcing that allowance had been made within the new price structure for the three per cent gross turn-over traders tax.

Mitchell said St. Vincent and the Grenadines per capita income was already one of the lowest in the Caribbean, and added if government can't withdraw the tax its simply due a lack of economic planning and wastage.

## Export of Profits Issue

Bridgetown ADVOCATE-NEWS in English 25 Oct 82 p 3

[Text]

KINGSTOWN, St. Vincent, Sunday, (CANA) — The United People's Movement (UPM), one of seven opposition parties here, today urged the government to bring

charges against companies said to be illegally exporting their profits.

The party was reacting to a claim by Minister of Trade, Vincent Beache, that big businesses in the state "making huge profits and funnelling the money out of the country in devious ways."

The UPM called on the government to make public its evidence of the alleged illegal export of funds, and to immediately bring charges against anyone found responsible.

It said the working people of the state, "whose sweat and toil created the profits," could not be satisfied with the "mere indication by government that it had knowledge of the illegal export of funds."

The UPM urged the government to move quickly to prosecute those responsible for "these unsavoury goings-on."

The UPM said it was also necessary for the Chamber of Industry and Commerce and a group comprising more than 150 traders to investigate the allegations. If they were found to be true, they should denounce the culprits, the UPM suggested.

The UPM also demanded that Prime Minister Milton Cato's administration take all the appropriate steps to curtail the illegal flow of money out of the state.

It suggested that foreign-owned companies be investigated "with a view to tightening up existing legal, loop-holes used to bleed the country of much-needed funds."

The UPM said: "Our party stands ready to support the government in dealing with the issue."

## BRIEFS

INVESTMENT PROGRAM--KINGSTOWN, Wed., (Cana)--ST. VINCENT and the Grenadines economic planning strategy is directed towards the development of a well-balanced integrated public sector investment programme, acting Prime Minister St. Clair Dacon has said here. Outlining his government's development plan to a project identification mission from the Caribbean Development Bank (CDB), Mr. Dacon said government felt the development of a well-balanced integrated public sector investment programme was appropriate in the present circumstances. This depended on the state's capacity to compile and retrieve the range of economic and statistical information required for comprehensive economic planning, its ability to attract and retain highly-paid personnel in key positions, and the degree to which they were at present able to exercise control over economic activity. [Port-of-Spain TRINIDAD GUARDIAN in English 7 Oct 82 p 4]

CSO: 3298/099



POLITICS, UNION-GOVERNMENT CONFLICT INVOLVED IN POWER PROBLEMS

'GUARDIAN' Slap at Workers

Port-of-Spain TRINIDAD GUARDIAN in English 15 Oct 82 p 8

[Editorial]

[Text] WE THINK that the Government of Trinidad and Tobago must end its fruitless courting of the goodwill of the workers of the Trinidad and Tobago Electricity Commission.

It seems to us that the actions of Government have been regarded by a group of saboteurs within the ranks of the Commission's workers as signs of weakness and indecision and this belief has rendered them bolder in their attempts to hold the country to ransom.

Clearly, Government's strategy of appeasement can no longer be justified. We believe the time has come when we must face the terrible fact that appeals to reason, to a presumed sense of decency, to concern for the welfare of the society as a whole, to possible patriotic sensibilities will meet with nothing but contempt from a certain disgruntled section of the T&TEC workforce.

It may be compared to throwing water on the duck's back.

The question that must now be faced is this: How long will these workers be allowed to plunge the country, or large sections of it, into darkness at their own whim and fancy in order to satisfy some [word illegible] craving for revenge?

T&TEC, equipped with adequate generating capacity, has made it clear that it has no structural reason for load shedding. Yet the system continues to be plagued by outages, the reasons for which are now being euphemistically described as "mysterious."

Fires break out at transmission stations. Faults occur on transmission lines for which there are no logical technical reasons. Who is fooling who? And how long will this state of affairs be allowed to continue?

The workers of T&TEC are visibly dissatisfied that their outrageous demands have not been entertained and that the matter has been referred to the Industrial Court. And, it seems, some are determined to continue their nerve-racking campaign against the Commission by making the system exact a painful cost from all and sundry.

Our reports are that malingering by line gangs has reached such a stage that supervisors must now beg them in abject fashion before they would respond to trouble calls.

The nation's power supply is too vital a utility to be operated with so much slackness among its workforce. We feel that the Commission's disciplinary machinery must now be brought forcefully and irrevocably into play at every level of its operations.

We recall that some time ago such a promise was made by the Commission's executive but as the mysterious outages increased, even those that were clearly the result of deliberate sabotage, we have heard of no disciplinary investigations, no one being held accountable, no penalties being imposed.

Some wise man once said that everything that is breakable will eventually be broken. Its fragility will eventually succumb to the pressures. In any organisation where there is no discipline, chaos will eventually become the order of the day.

This seems to be the lesson we are now learning among a section of T&TEC workers.

#### Workers' Action

Port-of-Spain TRINIDAD GUARDIAN in English 19 Oct 82 p 1

[Excerpt] NORTHERN and eastern parts of Trinidad will be without electricity for two three-hour intervals each day until further notice.

According to a release from the Trinidad and Tobago Electricity Commission (TTEC), signed by its general manager, Mr Leo Martin, these periods of load shedding have become necessary after the majority of the operating staff at the Port of Spain power station did not report for work yesterday as rostered.

The workers concerned were supposed to work the 11 p.m. to 7 a.m. and 7 a.m. to 3 p.m. shifts.

As a result of their action the Commission has been forced to take two of its operating machines out of service and is attempting to keep the station in operation with the assistance of skeleton managerial staff.

Meanwhile the Commission will be shedding loads on a cyclic basis from 6 a.m. to midnight daily and has warned that this could be increased if it becomes necessary for other operating machines to be taken out of service as well.

Contacted yesterday, Horace Noray of the Oilfields Workers' Trade Union (OWTU), which represents the workers, said he has not been informed of the situation.

And the "Guardian" continued to receive telephone calls from irate consumers who complained about how the outages were affecting them.

#### 'GUARDIAN' on Worker 'Terrorism'

Port-of-Spain TRINIDAD GUARDIAN in English 19 Oct 82 p 8

[Editorial]

[Text] NO GROUP of workers in the country has exposed more disastrously the timidity--some may even say the cowardice--of the Government than those who man the nation's power supply.

Deliberately, methodically, defiantly and without any feeling of conscience or concern for the widespread suffering, loss and dislocation their illegal actions cause, these workers have been plunging large areas of the country into blackouts in a ruthless kind of guerilla war against the Commission and ultimately against the Government.

Their strategy of terrorism reached its peak during the unsuccessful month-long effort by Mr. Errol Mahabir to conciliate the wage dispute between their union, the OWTU, and the Commission.

During this period, prolonged outages caused extensive havoc in different parts of the country as workers refused to answer trouble calls and to restore supply where it became necessary.

#### Outrageous Demands

We admire the patience displayed by Mr. Mahabir, but it should have been obvious to the Minister from the beginning that, having regard to the absolutely outrageous demands of the union, he was engaged in an exercise of futility.

Eventually, Mr. Mahabir had no choice but to refer the dispute to the Industrial Court.

But the real tragedy of this entire episode is the brazen defiance and absolute impunity with which the workers are continuing to wage their campaign of disruption against the Commission and, consequently, against all users of electricity in the country.

In spite of the horrible embarrassment which the Government suffered over the Savannah tree-lighting fiasco and in spite of the outcries of outraged consumers, the Commission seems unable, either by incompetence, by cowardice or by deliberate design, to take any kind of measures to rid its operations of saboteurs, maligners and those resorting to illegal industrial action--and so safeguard the interests of the country.

It now appears nothing but token action for Mr. Mahabir to seek an injunction from the Court during his conciliation exercise to restrain the union and its members from taking illegal industrial action in an essential service. In all the open demonstrations which marked the period, not a single worker was even reprimanded under that injunction.

And yesterday, the irony of the situation reached even more distressing dimensions. While Prime Minister Chambers was telling the good folk of Toco that Government could not make the society more productive by locking up everybody who does not work, the T&TEC workers were making a mockery of his words.

The majority of the operating staff on both the 11 p.m. to 7 p.m. and 7 a.m. to 3 p.m. shifts at the Port-of-Spain Power Station failed to report for work as rostered, forcing the Commission to loadshed extensively in northern and eastern parts of Trinidad.

If it were not for the heroic efforts of a skeleton managerial, staff who managed to keep the station in operation, the country might have suffered a total blackout.

Now what is the Commission and the Government going to do about this intolerable and illegal act of defiance? How long will this kind of disastrous lawlessness go on?

#### Chambers: Outages No Accident

Port-of-Spain TRINIDAD GUARDIAN in English 20 Oct 82 pp 6, 7

[Article by Evans K. Greene]

[Text] PRIME MINISTER George Chambers told a large distinguished gathering at Toco on Monday evening that on the basis of information which he had received privately, two outages which struck the district since his arrival were not accidental.

Speaking to villagers at Toco Composite School, Mr. Chambers said:

"Since I have come here there were two power failures--one Sunday, and one which started since lunch time today. I don't think it is accidental. I do not want to say more at the present time. I am speaking on the basis of information reaching me privately."

The Prime Minister who was accompanied by other Government Ministers listened to the various memoranda presented by the people headed by former Assistant Commissioner of Police, Mr. Albert Peters speaking on behalf of Toco Old Boys' and Girls' Association.

Mr. Chambers, in replying to the many ills and needs of the village, told the gathering, that it was a sin for taxpayers' money to be expended from day to day and year to year without any progress seen.

"If we allocate money for the purpose of providing employment in the area, and nothing will work except with the arrival of your Prime Minister, then something was wrong," he said.

He added: "We cannot lock up everybody who do not want to work, but all we ask of you is if you come to work for God's sake, do your work."

The Prime Minister had earlier heard from Yvonne Gill, a representative of Toco Village Council, that for some time past all the roads were in bad condition and so too were bridges, but it took less than seven days for the situation to be remedied.

She said that it was astonishing to see all these bad roads become good and all the bridges being built in a matter of a few days just because news went around that the Prime Minister was visiting the area.

Replying to numerous pleas for a reliable and additional buses to serve the people from Matelot to Sangre Grande, the Prime Minister told the gathering that the Minister of Public Utilities and National Transportaiton, Senator John Eckstein discovered that there were many buses owned by the PTSC which were off the road than on the roads.

He said the reason for this was the question of repairs either through accidents or mechanical defects.

Mr. Chambers said that the facilities at the garages were totally inadequate to deal with the repairs, and as a result the ministry was preparing to have repairs effected by private contractors.

"The minister will get my support in any move he makes to go out privately to have the buses repaired," the Prime Minister said.

He added: "It is a question of repairs of damaged vehicles tied up in the garages of the PTSC, and you will not be able to get these buses on the roads if you rely entirely on the service of the PTSC."

Replying to several pleas for assistance to senior citizens, the Prime Minister promised to involve himself in this direction when he returns to Port of Spain with a view of alleviating their sufferings.

The Prime Minister is also to study the question of provision of a fire station for villagers.

On the question of water, the Prime Minister promised the villagers that their supply will be twice and a half times better when new facilities were commissioned by Water and Sewerage Authority (WASA).

He told them that WASA was startig a new pipe main programme.

"I ask you in the meantime--those of you who are employed on the laying of water mains--to lay them satisfactorily, and if the job is to be done in two weeks, do not try to make it run to six weeks," the Prime Minister stated.



In replying to a representative who suggested the setting up of industry in the form of a wine factory since there were fruits perishing in the area, the Prime Minister suggested representations being made to the Industrial Development Corporation or the Development Finance Corporation.

Prime Minister Chambers said that he had seen for himself the need for some sort of enlargement of the district or Rampalangas, but it was a question of costing the project.

He told villagers that Government had a right to be cost conscious and ensure it gets what it pay for.

Accompanying the Prime Minister were Minister of Information Miss Muriel Green, Dr. Cuthbert Joseph, Minister of Local Government and Community Development along with the Minister in the Ministry, Mrs. Muriel Donawa-Mc Davidson; Health Minister Senator Dr. Neville Connell and the Minister in his Ministry, Mrs. Norma Lewis-Phillip; Mrs. Marilyn Gordon, Minister of Sports, Culture and Youth Affairs; the Parliamentary Area for St. Andrew/St. David, Mrs. Elmina Clarke-Allen as well as top officials of the various ministries.

#### Firing of Seven Workers

Port-of-Spain TRINIDAD GUARDIAN in English 22 Oct 82 p 1

[Excerpts] THE TRINIDAD and Tobago Electricity Commission (TTEC) yesterday fired seven operators at the Port-of-Spain Power Station for acting "individually and in concert with others to deprive the nation of a continuous supply of electrical energy."

The dismissals followed a tense situation at the Station when the majority of workers failed to turn up for work as rostered on successive shifts from Sunday night to Tuesday.

As a result, the Commission was forced to withdraw two operating generators from service which led to widespread load-shedding in Northern and Eastern parts of Trinidad.

The station, in fact, was kept in operation by a skeleton managerial staff.

On Monday, Mr. Martin issued a notice to the Station's operating staff, noting "with dismay" the degree of absenteeism. He added:

"This is most irresponsible, bearing in mind the particular nature of our operations and I should like to remind workers of the serious implications of not reporting for duty as and when rostered.

Sub-Judice

"We are not aware of the reasons for this spate of absenteeism by operating personnel, but some reports have suggested that it is due to dissatisfaction over the status of negotiations for revision of the Industrial Agreement.

"The Commission is also concerned in this respect, but I wish to remind all workers that this matter is now at the Industrial Court and as such is sub-judice. As a result, any action taken by workers which may be construed as industrial action can result in serious consequences."

Officials of the branch of the Union met with officials of the Commission over the dismissals yesterday evening.

A meeting of the union's executive has been called for 1.30 p.m. today at union headquarters, Paramount Building, San Fernando. It is understood that branch officers and shop stewards will meet on Saturday at 1.30 p.m.

#### Sympathy Sit-Out

Port-of-Spain TRINIDAD GUARDIAN in English 23 Oct 82 p 1

[Text] THE TRINIDAD and Tobago Electricity Commission's (TTEC) Port of Spain power station came to a complete halt yesterday after operators staged a sit-out at its premises in protest of the dismissal of seven of their colleagues.

The city was plunged into "darkness" from early morning and many places suffered outages for as long as ten hours. Other areas in the country were also affected.

The Commission's General Manager, Mr. Leo Martin said several of the workers on the 7 a.m. to 3 p.m. shift reported sick while none showed up for duty as rostered for the 3 to 11 p.m. shift.

The workers' action resulted in a wide-spread blackout in the north and east ranging from Matelot to the islands off the north-western coast of Trinidad.

The skeleton managerial staff who has been manning the station since the workers took similar action from Sunday night are said to be exhausted.

"They are dead-out. They can't do anymore," said the Commission's acting General Manager John Woon Sam.

"Our physical and human resources have been restricted," said the general manager.

Yesterday, only priority areas like the Port of Spain General Hospital were being supplied with power. Areas being served by the Barataria and other sub-stations which are fed from Point Lisas were also fortunate.

Mr. Martin said supply from the Point Lisas power station would now have to be shared around the island between bouts of load shedding until the situation returns to normal. He said Port of Spain and its environs will be most affected by prolonged periods of outages.

On Thursday night consumers in the north and east and those serviced by the Point Lisas power station were affected by an outage that occurred around 6.30 p.m. in some areas and spread to others.

General Manager Martin said this was caused when a gas valve at the Port of Spain power station shut off ("Which can happen anytime during its operation") and this tripped out the number five unit at Point Lisas.

#### Hope for Good Sense

Subsequently two other units at Pt. Lisas, number six and ten, tripped because of the overload from unit five but all these units were brought back into service in succession after an hour and a half, said Mr. Martin.

Yesterday Mr. Martin met with the Minister of Public Utilities, John Eckstein, but said no decision had been reached on what further steps the Commission would take to deal with the critical situation.

"We are hoping that good sense will prevail amongst our employees for the national good," he said.

Mr. Martin and other Commission officials also met with representatives of the Oilfields Workers' Trade Union (OWTU) on Thursday afternoon at a meeting requested by the union.

He said the union sought to have the dismissed workers reinstated but that the Commission would be replying to the union by mail shortly.

Yesterday, the union's executive held a meeting at its headquarters in San Fernando to discuss the present developments and is expected to have a meeting of all branch officers and shop stewards today.

Legal sources told the "Guardian" yesterday that the workers' action at the POS power station puts its union in contempt of court under section 66 of the Industrial Relations Act (I.R.A.).

At the moment the union is involved in protracted wage negotiations with the Commission and the matter is before the Industrial Court.

The sources said that under section 67 of the I.R.A. each named worker could be fined a maximum sum of \$10,000 and the union a maximum of \$20,000, plus it can be decertified.

Minister of Labour Errol Mahabir said yesterday he spoke with the chairman of the Commission Dr. Ken Julien, who said he had received a letter from OWTU's president George Weeks calling for a discussion.

But according to Mr. Mahabir, Dr. Julien said he would not meet with the union president until such time as the power supply returned.

The meeting is scheduled to take place this weekend.

Mr. Mahabir said he also met with several other relevant Ministers and briefed them as regards an industrial unrest in an essential industry.

Another source explained yesterday that under the IRA the Commission can dismiss all the workers involved at the station or take them to court.

### A Different Light

Treasurer, education and research officer of the OWTU, David Abdullah, shed a different light on the matter yesterday.

He said the station is short staffed; the 20 minutes which they have been awarded under the present industrial agreement as a lunch break is denied them as there is no one to operate the machines and they have to eat on the job; the air-conditioning unit has been malfunctioning for some time and the workers are forced to work bare-backed and under hazardous conditions and some have to work double and triple shifts because of the shortage.

He said the present situation is seen by the union as an attempt by both the public and private sector to introduce a wage freeze in the country "using TTEC as a guinea pig."

He also claimed that some of the units operating at the POS power station are 18 and 19 years old and where as they are supposed to generate 180 megawatts of power, they can only do 60 megawatts.

According to Mr. Abdullah, of the ten units at Point Lisas only three are in working condition.

Yesterday TTEC workers at the Pt. Lisas station demonstrated during their lunch hour in support of their colleagues in Port-of-Spain.

By lunchtime in downtown Port of Spain most businessplaces had closed for the day because of the prolonged outage and hundreds of commuters were seen looking for transportation. Schools were also dismissed.

The "Guardian" was among the places affected and suffered an outage of about ten hours. Because of this the size of the paper had to be cut down.

The Trinidad and Tobago Manufacturers Association (TTMA) also issued a call yesterday asking the Government, the OWTU and the Commission's management to "take speedy and positive action to curtail the frequent outages."

### Union Official's Remarks

Port-of-Spain TRINIDAD GUARDIAN in English 23 Oct 82 p 1

[ext]

TTEC workers are "literally sitting on a bomb with a short fuse" and have been advised to "prepare for the worst."

This was the view expressed yesterday by Mr. Vernon Reece, president of the Southern Branch of TTEC's arm of the Oilfields Workers' Trade Union

(OWTU) which represents the TTEC employees.

The branch president said that the entire work force was "cut up beyond imagination" over the action taken by management in dismissing six operators for allegedly acting "individually and in concert

with others to deprive the nation of a continuous supply of electrical energy."

He said that the work force was viewing the matter "very seriously" and today's conference of Shop Stewards and Branch Officers could have "far reaching consequences" having regard to the crisis which obviously now exist not only at TTEC but throughout the nation."

Mr. Reece said he had no alternative but to caution his branch members "to prepare for the very worst" and suggested that the country might well prepare itself for that too, "because things are definitely bad and while management continued constantly to throw blame

upon the workers, I hope that the Trinidad and Tobago public can see that the fault was elsewhere."

Check with Southern Division Police revealed that "normal precautions" were being undertaken at TTEC stations in the division. There was "nothing extraordinary" being done on that score, it was stated.

Workers, however, were gearing for the outcome of yesterday's emergency meeting of the union's executive, decision at which will doubtlessly be transmitted to the conference of shop stewards and branch officers today. Venue is the OWTU Headquarters, Paramount Building, Circular Road, Port of Spain.

#### Workers', Union Position

Port-of-Spain TRINIDAD GUARDIAN in English 23 Oct 82 p 7

[Advertisement]

[Text] Let Us Call a Spade a Spade

Here we go again. The attacks on the T & TEC workers have once more surfaced with a vengeance. The daily press is as usual playing the leading role in attacking and villifying T&TEC workers. The latest call is declare a state of emergency and send the army into the power station. Yet another simplistic solution for a situation fraught with complexity. Certain sections of the media seem content to invoke outdated measures which have always failed in the past. We must remember the Post Office. The Press has called for action--the Commission has responded by dismissing seven operators.

Constant reference is being made to sabotage, mysterious fires etc. Whatever goes wrong at T&TEC is the fault of the workers. The reality is that T&TEC's basic problems have a long and well documented history long before the present industrial relations conflict developed. When we read comment on the T&TEC situation we must always bear this in mind.

For instance the recent tripping of the 66 KV transmission line out of Point Lisas to Bamboo sub-station which caused widespread blackouts in the North and East was no mystery. It happened because of the massive load this transmission line has had to bear for too long. In previous public pronouncements the OWTU has criticised T&TEC for not installing enough transmission capacity to take the current out of Point Lisas.

The press does not investigate the situation at T&TEC, it assumes that every blackout is sabotage. The Prime Minister does not help the situation when he



claimed in Toco in a very mysterious fashion that he knew that two (2) black-outs which occurred after he arrived were no accident.

The people of Toco have been living with outages for months and not because of any non-accidental occurrence but because of the unreliability of the Port-of-Spain and Point Lisas power stations, the vulnerability of T&TEC's transmission system and the impossibility of maintaining T&TEC's sub-stations and collapsing distribution system properly because of manpower shortages, lack of equipment and material. All this has been said before, yet the attacks keeps coming, the media keep insinuating, the public not being aware of the whole situation is becoming inflamed (there have been physical attacks on line crews) and the police have harassed workers and seized their tools.

The disinformation and mis-information continues. Different interests are lining up and potshots are being taken at T&TEC workers. We constantly hear that T&TEC workers are among the highest paid workers in the land. Given the nature of their jobs and the risks involved they should be very well paid. BUT IS THIS THE CASE? NO IT IS NOT! IN FACT T&TEC WORKERS ARE AMONG THE LOWEST-PAID WORKERS IN HEAVY INDUSTRY AND TRAIL BEHIND MANY INDUSTRIES ENGAGED IN LIGHT MANUFACTURE.

An 'A' class T&TEC linesman gets \$9.26 per hour, an 'A' class ISCOTT linesman (who probably learned his trade at T&TEC) gets \$15.00 per hour. It seems that when it comes to industrial actions both ISCOTT and T&TEC are essential, but when it come to remuneration T&TEC is not so essential. An 'A' class craftsman at Texaco gets \$13.01½ per hour, a clerk three at T&TEC averages \$1,058.00 per month, his/her counterpart in the Public Service get \$1,688.00 per month. A T&TEC 'B' Class Auxillary Plant Attendant and Mechanic 11 (whose equivalent salary range in the government service was range 19 c in 1980) are now almost 60% below their public service counterpart. The cleaner in CARIRI gets a higher wage than an A class linesman.!

Is it any wonder that Equipment Operating and Plant Operating Personnel have left T&T T&TEC to work at Fertrin and the National Gas Company for wages 64%-90% higher than they were earning at T&TEC, further aggravating an already dangerously low level of power station personnel staffing. We do not begrudge the wages non-T&TEC workers receive. But it is high time we destroy the myth that T&TEC workers are among the highest paid workers in the country. This often repeated piece of mis-information eventually assumes the appearance of truth and serves to influence the minds of the people against the T&TEC workers. WHAT IS IN FACT HAPPENING IS THAT THE T&TEC WORKERS ARE BEING USED AS THE SACRIFICIAL LAMB OF THE LABOUR MOVEMENT. A WAGE FREEZE IS BEING FORCED ON THE T&TEC WORKERS AS A BRIDGHEAD TO LATER FORCE IT ON ALL PUBLIC SERVICE, PUBLIC SECTOR, STATE ENTERPRISE, STATUTORY BOARD AND GOVERNMENT DAILY PAID WORKERS. THE T&TEC WORKERS STRUGGLE FOR WAGE JUSTICE IS THEREFORE A STRUGGLE ON BEHALF OF ALL WORKERS. Workers in the private sector are also threatened with wage freeze.

SWAN HUNTER has already proposed to the SWWTU that wages and COLA be frozen for two years and that reductions be made in benefits including overtime payment. IT IS CLEAR WHY THE PROPAGANDA ABOUT HIGH WAGES AT T&TEC IS DESIGNED TO DIVIDE WORKER FROM WORKER IN ORDER TO DIVIDE AND CONQUER ALL WORKERS.

In their battle for wage justice, T&TEC workers have been blamed for the unreliability of the electricity system, they have been prosecuted in court, they are still under the threat of imprisonment and dismissal. This is just a foretaste of what all workers must expect as the economic crisis unfolds and deepens.

It is very easy for consumers to express hostility to T&TEC workers if they are led to believe that the workers are responsible for the chaos. The reason lies in the strategic nature of the electrical industry and the indispensability of electricity for modern living. If an air condition unit breaks down in a downtown Port-of-Spain office or government office and the workers are sent home; no one thinks twice about it. It is reasonable. But the generation personnel at the Port-of-Spain 'B' Power Station cannot be sent home when their perennially mal-functioning air-condition system breaks down. They have to take off their shirts and grin and bear the tremendous heat that develops because of boiler activity etc. The least 'essential industry' T&TEC could do is ensure decent conditions of work for the men who generate electricity with defective and malfunctioning equipment.

At the heart of any electricity system is generation from the Power Stations. Personnel involved in these operations have to work continuous shift and must at all times be alert, with untroubled minds and quick reflexes. If conditions of work are deplorable then these workers must perforce be working below optimum. This could be disastrous. Let us examine Power Station 'B' in Port-of-Spain, which has taken a centre stage because of the recent high levels of absenteeism.

The Power Station has been losing personnel to other industries at an alarming rate. This would seem strange if T&TEC workers were highly paid. The total number of Operators required in Port-of-Spain is one hundred and eleven. At present there are eighty-seven (87), a shortage of twenty-four (24). Among the Auxillary Plant Attendants more than half of the job places are vacant. The power station at Port-of-Spain is hanging on by the skin of its teeth. Yet T&TEC makes no effort to retain its technical staff.

The worsening staff shortage situation has led to many undesirable results which cannot but affect the psychological and physical state of the workers, placing them under unacceptable stress.

Workers cannot make proper leave arrangements because staff is stretched thin. This is not conducive to proper health. All the units at Portof-Spain cannot be run at the same time, if the need arises, effectively destroying back-up power capacity which is essential. T&TEC's training program is almost non-existent. T&TEC has flaunted a court ruling that operators should be allowed a twenty minute lunch break. Because of the thinness of the operating staff, operators may work continuously for twenty four hours manning heavy machinery and monitoring unstable conditions on the sets. Yet workers after 11:00 p.m. shift according to where they live may have to sleep in taxi-stands. These same workers, whether rested or not have to leave their homes soon after nightfall to secure transport to cover the first leg of their journey to take up work at 11:00 p.m. Imagine leaving home at 7:00 p.m. to reach to work for 11:00 p.m.

The Service demands that Operators be available at short notice. Yet operators are provided with no means of ready communication (management personnel have radios) and when an operator without a phone is on call, he is virtually confined to his home. Yet T&TEC refuses to provide soft loans for vehicle purchase as they do for management personnel. If T&TEC really cares about the provision of a safe and reliable electricity system, this problem would have been solved long ago.

The details of plant deficiency at Port-of-Spain are well known and well documented. Mal-function and defect are the norm. Suffice it to say that two 50 mgw units are operating past their recommended life span. Sitting Bull and Crazy Horse have a zero dependability rating. Machines are plagued with leaking boiler tubes, boiler feed pump emblading etc.

Is it any wonder that Power Station operating personnel are tired, fedup, overworked, frustrated and driven to the wall? They have been grievously overworked, prosecuted in the courts, discriminated against by the labour laws (IRA) attacked and condemned in the press, heckled and wasted down by their acquaintances all because they want to provide a reliable electricity service. Is it not a wonder rather that they have suffered so silently for so long? Call in the army some quarters cry. Do they think that soldiers and guns can ensure a reliable supply of electricity? Are they really concerned with the welfare of the country? Do they think guns are going to get malfunctioning equipment to work or one man to do the work of two? Do they not think that such a course of action will bring about the very situation they claim they are trying to avoid and over which they have been crying 'Wolf! Wolf!' for so long? Is it not clear that there is more in the mortar than the pestle.

It is time we call a spade a spade. We all know that the society is made up of different sometimes conflicting interests. In times of economic and social stability, these differing, sometimes hostile interests co-exist in an uneasy status quo.

But in times of economic and social instability, in such a time as now these interests reveal themselves and openly jostle to change the status quo, to influence the balance of forces in their favour.

What is happening is that the interests of capital demand that workers bear the brunt of the capitalist crisis-increased rates, removal of subsidies, retrenchment, galloping inflation and wage freeze.

The interests of capital understand that if the T&TEC workers are demoralised and defeated and a wage freeze imposed on them, then every single organised worker in the country becomes more vulnerable to super-exploitation and the destruction of his standard of living. That is why they are pursuing the T&TEC struggle so intensely. The outcome of the T&TEC struggle is going to determine the tenor of industrial relations of the capital-labour conflict for the next few years. The T&TEC struggle will be an historically decisive one for the entire working class. Don't let the propaganda fool you. Every working man and woman is involved.

The OWTU is not going to be cowed by the pressure. Our Union was born in and thrives on struggle. The OWTU is not going to be party to any weakening of the labour movement. Instead we call upon every worker in the country to examine carefully what we have said and to realise that the T&TEC workers' struggle is your struggle, that if the T&TEC workers suffer defeat then all hell will break loose. All workers must show solidarity with T&TEC workers or there will be an industrial holocaust. The gains that the trade union movement have won over the last forty-five (45) years can be wiped out in the flutter of an eyelid. Those gains are only as strong as is our determination to preserve and extend them.

If we show weakness, the trade union movement, which introduced the first semblance of democracy to this country could be castrated or obliterated as they were in Germany's Third Reich, Franco's Spain or Pinochet's Chile. Then where will we be? Ponder the possibility carefully.

WE MUST SAY NO TO A WAGE FREEZE AT T&TEC!

A BLOW AGAINST A T&TEC WORKER IS A BLOW TO ALL!

WORKING PEOPLE MUST BUILD UNITY TO FACE THE CRISIS!

#### Chambers Press Conference

Port-of-Spain SUNDAY GUARDIAN in English 24 Oct 82 p 1

[Article by John Babb]

[Text] PRIME Minister George Chambers said yesterday that the time obviously has come when action has to be taken in the situation regarding the electricity outages that have made havoc of the economy over the past week.

Replying to a question by the SUNDAY GUARDIAN at a news conference in Sangre Grande, Mr. Chambers said: "The Government cannot be accused of not exercising tremendous restraint in this whole matter, and the time obviously has come when some action has to be taken."

He said so shortly after confirming that Cabinet will meet in emergency session at 11 a.m. today to deal with the matter.

The meeting will take place at a house on Picton Road, Sangre Grande, where the Prime Minister is a temporary resident.

Speaking about his week's tour of County St. Andrew/St. David, Mr. Chambers told newsmen he made the tour at a time when the area was without electricity for 24 hours.

There was clear evidence that the Prime Minister was hampered by the power outages. He was forced to move about with a portable power generator.

Mr. Chambers recalled that when he visited upper Sangre Grande yesterday morning, the villagers, through their spokesman, raised a number of issues, including BWIA and Caricom.



"On behalf of the villagers," he said, "their spokesman called on me to take the firmest action possible."

Mr. Chambers said he was not prepared to say anything further on the issue until he had heard the views of his Cabinet colleagues at today's emergency meeting.

Fielding a variety of questions from the media, the Prime Minister was very emphatic when asked his response to Opposition suggestions for constitutional changes that would include proportional representation in voting.

#### Topic

He replied: "So long as this Government is in power it will not consider proportional representation. You can print that."

On next month's upcoming Caricom Heads of Government meeting, Mr. Chambers said that, so far, it is his intention to attend.

He said he had looked at a draft of the agenda for the meeting and had already given some indication to the country on a number of issues in which the Government had a personal interest.

As far as readiness for the Caricom summit is concerned, he said the Ministry of External Affairs was preparing some position papers. "And all I can assure you is," he declared, "that matters with which we are concerned will be brought to the attention of the conference as forcibly as possible."

He did reveal that the topic of regional transportation was listed on the draft agenda. It was under this topic that BWIA will be discussed.

Replying to a query about what was being done in respect of decentralisation of authority, Mr. Chambers said he had done many things which the media itself had recognised.

The media, he noted, has recognised that there is a new mood in the Cabinet--that there is authority. A Minister can give a definite answer on many issues, thus indicating that he had overall authority in his particular ministry.

Asked about a communication from the unions to him, seeking a solution on retrenchment, Mr. Chambers said he had responded to the unions' letter. "And my reply is in their hands," he assured.

The Prime Minister said he was already in communication with certain people in the country who had raised the same issues.

Following the Press conference, Mr. Chambers met with representatives of the village councils in the area which presented him with memoranda on issues discussed during his whistle-stops in various parts of the county.



The Prime Minister will begin the last day of his tour today by going to church, after which he will preside at the Cabinet session.

At five o'clock, he and Mrs. Chambers will host a reception for the people of the county, at the Northeastern College, Sangre Grande.

Yesterday he paid visits to the Sangre Grande market place, the county hospital, a senior citizens home at Ojoe Road, a regional recreation ground, the Manzanilla Fishing Centre at North Manzanilla, the site of a proposed housing project at Ojoe Road, the Sangre Chiquito Presbyterian School, and the community centre at upper Sangre Grande.

### Assessment of Chambers' Role

Port-of-Spain SUNDAY GUARDIAN in English 24 Oct 82 p 3

[Text]

A NEW DAY dawned more than a year ago when George Chambers, in an inspired and brilliant address, stirred the nation with his pledge to put wrongs right. And to keep right, the things that are right.

After years of subdued, withdrawn and almost invisible government, what the new Prime Minister had to say was like a beam of light through billowing clouds of growing concern. It lit up our lives.

They were not only persuasive words and ringing rhetoric. The sincerity came through because they appeared to be backed with action and decision. The Racing Complex was halted. The Malabar housing project was stopped and subsequently new builders were employed. We were all impressed and were happy to be part of this new political day. As a result, the large majority of citizens responded with utmost favour and the cry that resounded everywhere and captured the imagination was "Give George a chance."

The reaction by the population was understandable in the light of the weariness and creeping inertia that had overtaken it under the twilight years of the previous Prime Minister. Suddenly, the days of retreat and do-nothing, vanished. The most positive response was in the ballot and George was given his chance with an over-whelming victory for the People's National Movement, its biggest ever.

No greater mandate could a Prime Minister receive. The people spoke, and by a stunningly decisive majority they gave George Chambers and his party the authorisation to govern. But as the dawn of the bright new political day unfolded, many of the rays of hope began to dissipate like the morning mist as magical expectations failed to produce results, giving way instead to familiar scenes and patterns: and as the euphoria died down, the "new day" began to look like the same old day.

The population by-and-large has not given up on the grand hope that what is wrong will be put right. But doubts and queries are beginning to appear. The DC-9 scandal which has rocked the country for so long has been quietly swept under the carpet, but being such a large scandal, it does not fit smoothly under any carpet. The matter remains unresolved and incomplete. It is almost as if a new slogan is about to be coined, "if you are not with us, you are against us."

The Sam P. Wallace affair has turned out to be plenty talk and no action. Detailed accounts from ISCOIT remain completely withheld from the public which is paying for this adventure into iron and steel. It is beginning to look like the same old do-nothing all over again. And when a clutch of radicals at the Trinidad and Tobago Electricity Commission can arrogantly hold this country to ransom, anytime at all, all with impunity, and can thumb their

noses at anyone who does not like it so, then we are satisfied that the bright new rays of hope were a mirage.

### AMAZING COINCIDENCE

Prime Minister Chambers, the flagship of our hopes, could not have missed the point. The moment he reached Toco as part of his north-eastern tour, click, and the lights went out. And they stayed out. So it wasn't only PM 1 that broke down. PM 1, of course, is the Prime Minister's car which by some amazing coincidence, also became non-functional at Toco because of a minor outage of its own: the battery went dead and, and like the surroundings, the car had no power. According to reports, a new battery was found. Generators were rushed up to supply current for the various events put on for the P.M. But no power was returned to that part of the national grid.

It's one thing to be meek. Mr. Chambers himself had said that the meek will inherit the land. But even the original author of those words was a man of decision and action who was prepared to do what is right regardless of the consequences because, to turn the adage around, right is always the best kind of might. We therefore call on Mr. Chambers, however meek and humble he may be, to take the other leaf out of the book that inspires him and act with strength and authority.

Because the new question gaining currency throughout the country is — "when will the Government have the courage to act?"

T&TEC is supposed to be an essential service. Depriving us of electricity, deliberately, is like refusing a person the right to breathe. Electrical energy is the principal driving force in our daily lives, powering just about everything we use. It follows that it is futile to utter another stirring call, this time for productivity, and then deprive us of the principal source of energising that productivity.

Furthermore, if one looks beyond the work bench to the domestic and social scenes, the dislocations and frustrations become monumental. People can't wash their clothes. They have to take time to go to a stand-pipe somewhere to fetch water back to the house to wash themselves and their wares. Traffic jams worsen as more citizens have to drive in order to communicate as PBX's are knocked-out when the current goes. The net result is one giant step...backward!

And in the midst of all of this, Prime Minister Chambers can take time off for a leisurely visit to our beautiful north-eastern counties. Had he gone under normal circumstances he could not be faulted. He is no doubt trying to strike a unique and separate note from the isolationism of the late Prime Minister who in his final years went nowhere.

#### POLITICAL MILEAGE

Meeting the people and mixing with them is a worthy objective and while there is no doubt there is some political mileage to it, we are glad when our Prime Minister can show that he has not lost the common touch.

But there is a time and place for everything. Over a period of months, mismanagement and mischief have brought this country to its knees. Productivity and morale have plummeted. Anarchy is the order of the day at T&TEC. Now is the time for stringent measures, for staying close to the scene and for making sure that everyone is doing his duty. To waitz out into the countryside at a time such as this is equivalent to Napoleon opting for a tour of Burgundy half-way through the Battle of Austerlitz.

In the give-and-take of nature, retreat by one side is answered by advance from the other. There are no vacuums. Take out something, and something else takes its place. In the equation of power and politics, failure to act decisively is immediately capitalised upon by the other side: and the government that condones the breaking of law, especially as people are in contempt of court, is inviting dangerous advances from those who would break the law...or bend it.

And let it be clearly understood that

unless there is an outbreak of some epidemic like Bubonic Plague or Legionnaires' Disease, then it is unreasonable to believe that personnel on two shifts at T&TEC can all get ill at the same time, for two days. Bearing in mind that more than two weeks of sick leave are available each year, it is disturbing speculation to wonder how many more sick-outs will occur.

If as Thursday's Guardian put it, the workers gave no reasons for their absence, then it would be interesting to see how they can prove that they were not acting with malice and mischief and that their actions are not the height of irresponsibility. And through it all, no one in officialdom does anything. Not even Mahabir's mercurial menaces, with occasional wavings of injunctions, are having any effect on the situation that is rushing downhill, is seriously injuring the country and is setting us up for the political destabilisation that is never far from the minds of radical trade unionists.

And always, the resounding silence from officialdom! The public can gain no comfort or assurance from anyone in charge. Not from the Minister of Public Utilities nor from the general manager of the Electricity Commission. It would seem that we are beneath their contempt. The impression being gained is that no one really cares. For example, at one stage recently, the chairman of T&TEC, the deputy chairman, and the general manager, were all out of the country simultaneously. This at a time of crisis in the Electricity Commission!

Now, on top of all the ill treatment meted out to us, the Government further insults the nation by reappointing Dr. Ken Julien and other incumbents to the directorate of the Commission. It is becoming an international joke that the more blatant the failure, the more abundant and enduring the reward in Trinidad and Tobago.

With the exception of Mr. Louis Rostant, whom we congratulate on not offering himself up for reappointment, we have nothing but expressions of disgust and disappointment for the other members who accepted another term of office. Frankly, we think they are a gutless, inefficient example to the people of this country, especially the youth.

If through failure one gets to the top and stays there, then how can we ask our young people to try hard? How can we ask our workers and our management to produce more when non-productivity in Government behemoths like T&TEC and SCOTT is abysmal? How can we take the advice of leaders who won't lead? In the final analysis, precisely who is governing this country?

(EDITOR'S NOTE: Since this article was written, seven T&TEC workers were dismissed.

### Continued Stay-Outs

Port-of-Spain TRINIDAD GUARDIAN in English 25 Oct 82 p 1

[Text] THE TRINIDAD and Tobago Electricity Commission (TTEC) continued its load shedding operations yesterday throughout north and east Trinidad as operators and other workers remained away from their jobs at the Port-of-Spain Power Station.

Areas from Chaguaramas in the west to Matelot in the East were affected as the Commission resorted to load shedding from the Point Lisas power station.

The Port-of-Spain plant was closed down on Friday after workers began a sit down strike to protest the dismissal of seven workers by the Commission last Thursday.

The seven workers were dismissed by the commission after failing to give reasons for their absence from duty last Monday and Tuesday on their shifts as rostered.

The gates to the Port-of-Spain plant remained closed again yesterday as the Commission's security personnel stepped up patrols on the plant.

A spokesman at the Commission said yesterday that it was not certain when the supply of electricity would return to normal in north and east Trinidad. He said that there seemed to be no early solution to the problem.

Meanwhile the executive committee of the Oilfields Workers Trade Union (OWTU) remained on "stand by" from early yesterday morning awaiting a call from Labour Minister Errol Mahabir for an "urgent meeting" with the management of T&TEC in order to resolve the present power crisis.

Decision by the executive committee taken at an emergency meeting on Friday was "fully endorsed" by a conference of shop stewards and branch officers which lasted for more than six hours on Saturday afternoon, during which there was "strong condemnation" of the TTEC management for the dismissal of workers for allegedly continuing to "deprive the nation of a continuous supply of electrical energy."

Mr. George Weekes, President General of the union, said yesterday morning that the decision of the executive had been communicated to Dr. Ken Julien, Chairman of the TTEC Board, and a copy sent to Mr. Mahabir, who was asked to use his good offices to arrange the meeting and, indeed, to be present if he wished with any other minister or ministers of the Government.

Minister Mahabir declined to comment "until I have met both sides."

Port-of-Spain TRINIDAD GUARDIAN in English 25 Oct 82 p 1

[Article by Evans K. Greene]

[Text]

**\* PUBLIC** Utilities Minister John Eckstein last night gave the Trinidad and Tobago Electricity Commission (TTEC) sweeping powers to hire and fire personnel in order to restore electricity in North Trinidad in the shortest possible time.

TTEC, which is locked in an industrial dispute with the Oilfields Workers Trade Union (OWTU), has been directed by Senator Eckstein to continue to discharge its managerial responsibilities including the taking of such disciplinary action as the situation warrants.

The new directive by the Public Utilities Minister follows three days of power cuts in North Trinidad which brought industry to a standstill on Friday.

At a Cabinet meeting in Sangre Grande yesterday Senator Eckstein was mandated to address the nation last night and bring the country up to date on what steps the State was taking to restore electricity.

TTEC was told to ensure the security of its personnel, its plant and its machinery.

Senator Eckstein directed the Commission to restore the service provided by the Port of Spain "B" Power Station in the shortest possible time, including, where necessary the recruitment of new staff.

- To ensure the security of its personnel, its plant and its machinery.

- TTEC was also directed to clear its compound of unauthorised personnel and structures and in this regard steps would be taken to clear the immediate environs of the Commission's property.

Management has also been told to meet the union as requested by the union but under conditions conducive to good industrial relations.

Senator Eckstein, in a television/radio hook-up said "sacrifice is often necessary in order to preserve the

rights and privileges which we the citizens enjoy in our democratic state.

"Such sacrifice is even more necessary when the very basis of our democracy may be in jeopardy," he said and he assured the nation that in this as in all other matters the Government would take whatever decisive action necessary to ensure the continuing welfare of all the citizens of Trinidad and Tobago."

Speaking about the deteriorating electricity supply, he said this was a matter of great concern for the Government. This concern had been heightened by the sentiments expressed to Prime Minister George Chambers personally by the thousands of citizens with whom he had been in contact during his very successful tour of the counties of St. Andrew and St. David which ended yesterday.

#### SPECIAL MEETING

"As you are undoubtedly aware," Senator Eckstein said, "the Prime Minister interrupted his tour this morning to preside over a special meeting of Cabinet at which the present state of the electricity supply in the country was again considered."

"The Cabinet had before it a full report on the entire

situation and Cabinet noted, among other things,

"1. the steps initiated by TTEC to deal with the industrial action taken by some of its employees;

"2. that the OWTU through its president general had written requesting a meeting with the chairman and members of TTEC's board;

"3. that the chairman of TTEC had indicated his willingness to meet with the OWTU but had indicated his conviction that such a meeting would be meaningless and if anything would add to the tension if the meeting was held under existing conditions which deny a large section of the population its electricity."

### Panday Reaction

Port-of-Spain TRINIDAD GUARDIAN in English 25 Oct 82 p 1

[Text]

DECLARING a state of emergency in TTEC; gaoling the workers or members of the union or decertifying the Oilfields Workers Trade Union (OWTU) will not solve the industrial problems in the strife-torn electricity corporation.

These comments were made by trade unionist Basdeo Panday who is also the Leader of the Opposition in Parliament.

His answer to the problem: dialogue.

"Yes, dialogue. The Government must meet with the union and discuss the problems amicably," he said yesterday.

### NATION SUFFERING

Mr. Panday was disturbed at what was happening in

TTEC, and he envisaged the same thing was happening in other state enterprises.

He was quick to explain that he was not talking about power cuts but the appointment of party hacks in key positions in TTEC, Caroni and other state corporations and enterprises.

"Those people are asked to make key decisions, but they are unable to do so. This culminates in waste of public funds said Mr. Panday. "The whole nation suffers," he added.

He referred to the issue of Caroni Ltd., which retrenched more than 2,000 temporary workers earlier than anticipated. The management at Caroni was unable to say where the company was heading and referred the union (All Trinidad Sugar and General

Workers Union) to the Prime Minister.

The matter was raised in Parliament but still not a word from the Government, he said.

Meantime millions of dollars in capital invested in the sugar industry and the fate of 10,000 workers was in the balance.

Mr. Panday saw a bleak 1983 ahead and called for the people in power to start on their own belt-tightening — not the poor humble workers.

On the issue between the OWTU and TTEC, he said if the State wielded a heavy hand to force the workers out on the job there would be seething discontent which was likely to erupt again. He said only dialogue would resolve the issue between the TTEC and OWTU.

CSO: 3298/097



## ISCOTT FACING 'SERIOUS' FINANCIAL, PRODUCTION PROBLEMS

Bridgetown ADVOCATE-NEWS in English 25 Oct 82 p 9

[Text]

PORT-OF-SPAIN, Trinidad, Sunday (CANA) — The Trinidad and Tobago Government, which has spent more than TT\$2 billion on energy-related investments since 1974, has acknowledged that the country's lone steel and iron company is facing "serious financial problems".

According to an International Monetary Fund (IMF) report based on information supplied by the government, the Iron and Steel Company of Trinidad and Tobago (ISCOTT) has run into production, marketing and managerial problems since it began operating in August, 1980.

For example capacity is underutilised and what is described as the "technical imbalance" between ISCOTT's sponge iron capacity, now one million tonnes yearly, and the output of his meltcast shop (750 000 tonnes) has rendered the company "vulnerable" to the challenges of marketing and shipping, the report said.

In the document, "Trinidad and Tobago Recent Economic Developments", prepared by a team from its Western Hemisphere and Fiscal departments, the IMF said that lack of training in operational aspects of steel production was also a problem.

The IMF background paper also looks at other energy-related industries and finds

difficulties confronting almost all of them. The lack of water, it said, was hindering the effective functioning of the state-owned Fertilisers of Trinidad and Tobago (FERTRIN), the Express newspaper reported.

A methanol plant, now being built and which should be on stream next year, is having trouble securing medium and long-term charter transportation arrangements.

Government is having two methanol tankers constructed in Japan to offset the problem.

The government's Liquefied Natural Gas (LNG) plant, the preliminary design for which is reportedly near completion, is already the victim of a significant escalation in cost, the Ministry of finance told the IMF.

Present projected LNG cost is \$4 560 billion. Purchase contracts for 20-year supplies to the United States are, however, "nearing finalisation".

The proposed aluminium smelter project appeared to be trailing behind schedule. Envisaged as a project between the government (60 per cent) and private partners (40 per cent), the IMF reports records only that "no decision has yet been made".

The current situation in the international market place for aluminium is seen to be a stumbling block to an early go-ahead. Present cost estimate for a 180 000-tonne smelter is \$1 627 billion.

COUNTRY SECTION

TRINIDAD AND TOBAGO

BRIEFS

TEXACO 'SABOTAGE' CHARGE--TEXACO Trinidad Inc. claimed yesterday that saboteurs were responsible for damage done to transmitters associated with a newly-installed telemetering system at Pointe-a-Pierre. A release from the company stated that the discovery was made on Wednesday in the main tank farm and the sabotage consisted of cutting wires and damaging the transmitters. The system, a company spokesman said was installed to ensure "the safe and efficient monitoring of oil products in storage tanks." A report was made to the police. [Port-of-Spain TRINIDAD GUARDIAN in English 8 Oct 82 p 1]

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